



Business Germany?

Landesbanken Sparkassen

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 4.25; FRANCE Fr 3.5; GERMANY DM 2.0; ITALY L 700; NETHERLANDS Fl 2.0; NORWAY Kr 4.25; PORTUGAL Esc 36; SPAIN Ptas 60; SWEDEN Kr 5.75; SWITZERLAND Fr 2.25; EIRE 20p

NEWS SUMMARY

GENERAL

Irish in hunt for killer

Irish police hunting the killers of Lord Mountbatten and members of his family believe that a four-man Provisional IRA active service unit was responsible. Two men have been charged with Lord Mountbatten's murder.

As the police hunt continued, mainly in the republic's border areas, Irish Premier Jack Lynch sent 75 minutes at the 5190 hospital bedside of Lord and Lady Brabourne and their son, who were injured in a boat explosion which killed Lord Mountbatten.

Northern Ireland a senior police officer investigating the case which killed 18 soldiers. "We are looking forward to arrests fairly soon." Back Page

U.S. fears over Russians in Cuba

United States has told the United Nations of its serious concern over the presence in Cuba of a Russian combat unit of 2,000 to 3,000 troops, including armour and artillery, the State Department said.

Department spokesman Rodding Carter said it was the first time the U.S. had been able to confirm the unit's presence on the island, although reports appeared to have been there at least since 1976.

Loweto tour

South African Prime Minister Pieter Botha toured the black township of Soweto, South Africa, in 1976 in which more than 600 people died.

Page 2

Thana handover

Thana's ruler Flight-Lt. Jerry Awlins announced that he would hand over power to a civilian administration on September 24, ending almost a decade of military rule.

Poison mystery

Munich police are trying to find out whether a West German friend of Georgi Markov—the Bulgarian BPC assassin killed with a poisoned pellet in London last year—was herself poisoned. Traces of poison were found in the body of Rosemarie Heilmann, 37, after her death three months ago.

New town deal

Stevenage Borough Council, fears, is trying to buy some of the industrial and commercial property assets being sold by Stevenage New Town Development Corporation. Back Page

Dominica aid

International aid poured into the Caribbean island of Dominica, devastated by Hurricane David. Britain is giving 10,000 to buy relief supplies, including food, and is providing medical supplies, blankets and heating for temporary homes.

Page 2

Schild denial

The business partner of British businessman Rolf Schild, missing in Sardinia with his wife and daughter, denied that money troubles could be behind his disappearance. Such speculation was "utter nonsense" said Peter Epstein, a director of the Huntleigh Group electronics company.

Briefly . . .

September will be generally dry with spells of wet and sometimes windy weather, says a long-range forecast. Weather, Back Page.

Senior worker at Windscale anti received minor skin and clothing contamination.

India was 137 for 5 on the second day of the final Cornhill at the Oval in reply to England's 305 all out.

McHenry to succeed Young

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT JIMMY CARTER has chosen Mr. Donald McHenry, a black career diplomat, to succeed Mr. Andrew Young as ambassador to the United Nations.

The appointment of Mr. McHenry, 42, which must be confirmed by the U.S. Senate, had been mooted ever since Mr. Young resigned two weeks ago in a diplomatic storm over his meeting a Palestine Liberation Organisation official in New York and not fully informing the State Department about it.

Mr. McHenry, who has served as Mr. Young's deputy at the United Nations, was the key U.S. negotiator in the diplomatic tug-of-war between Washington and Moscow over the departure of Soviet ballerina, Mrs. Lyudmila Vlasova, from New York.

COMPANIES

● DALGETY'S fight to take over Spillers intensified, with Dalgety posting its offer document outlining the £70m bid and sending a strongly-worded letter inviting its own shareholders to a meeting to approve the move. Page 16 and Lex, Back Page

● BLACKWOOD Morton and Sons (Holdings), the BHK carpet group, finished the year to June 30 with a £350,289 surplus compared with a £304,938 deficit. The recovery slackened in the second half. Page 16

● FAIRBAIRN Lawson chairman Sir John Lawson, warned shareholders that further provisions will be needed for discrepancies discovered in the important Greenbat subsidiary. Page 16

CHIEF PRICE CHANGES YESTERDAY
(Prices in pence unless otherwise indicated)

RISERS	
ST Dred.	122 + 4
BT (G.)	114 + 4
enloj	37 + 3
rent Walker	90 + 5
British Dredging	29 + 5
air Milling	92 + 5
hich and Co.	197 + 5
ity Saratoff Rly.	£105 + 30
arnell Electronics	270 + 12
raig Shipping	355 + 20
alt Lloyd Int'l.	223 + 20
hantleigh	72 + 4
IK Electric	239 + 7
ole (M.)	15 + 2
uter Electric	30 + 5
anso Group	£142 + 8
Travis and Arnold	225 + 9

FALLS	
Kinta Kelias	185 + 13
Bougieville	126 + 7
BH South	136 + 15
Mangula	82 + 9
Allied Breweries	93 - 2
ERF	94 - 3
Fairbairn Lawson	30 - 4
GUS A	396 - 4
Lucas Ind.	248 - 4
Parker Timber	190 - 6
Phoenix Timber	141 - 4
Sedgwick Forbes	59 - 3
Stewart Wrightson	153 - 5
Wagon Finance	40 - 4
Aray Energy	150 - 20
East Rand Props.	519 - 36
Randfontein	£271 - 1

BNOC proposes £400m schemes to protect assets

BY RAY DAFTER, ENERGY EDITOR, IN GLASGOW

The British National Oil Corporation has drawn up four possible schemes for raising £400m for the Government in order to safeguard its North Sea assets.

Lord Kearton, the corporation's chairman and chief executive, yesterday strongly criticised Government plans to sell off some of the undertaking's oil and gas interests. It would be a "bad business decision" at a time when BNOC was about to become Britain's most profitable state corporation, he said.

In response to a Government directive the corporation's board agreed an order of priority for the possible disposal of North Sea assets worth up to £400m. It is understood that BNOC's stake in the partly depleted Viking gas field in the southern sector of the North Sea and its minority interests in the huge Anglo-Norwegian Statfjord field featured high on the list of possible disposals.

However, the BNOC board has told Mr. David Howell, the Energy Secretary, that it would be commercially unwise to dispose of any assets. Next year the corporation could make a pre-tax profit of about £150m, Lord Kearton said. By 1981 the profits could be in the region of £300m to £400m and by the mid-1980s they could be very much higher.

The corporation has the makings of being one of the most attractive businesses this country has ever seen," Lord Kearton said. BNOC could sell assets worth £400m as a short-term boost to help the Public Sector Borrowing Requirement but the nation would lose far more over the years through the consequent cumulative reduction in profits.

The corporation's possible ways of raising cash are:

- The issue of bonds—similar to national savings certificates—which could be linked to the price of oil and/or inflation and which would be redeemable after, say, five years.
- The bonds would be backed by BNOC's assets, worth £2bn to £2.5bn. Such bonds, nicknamed Granny bonds and Aunt Agatha bonds, would be designed to attract the savings of small private investors, thus meeting another of the Government's plans for injecting private capital into the corporation.

Shopfloor resistance to engineers' strike grows

BY NICK GARNETT, LABOUR STAFF

SHOPFLOOR resistance to the engineering industry's two-day national strike on Monday and Tuesday grew yesterday, with employers in most areas still expected strong backing from their workforces for the stoppage.

Mr. Terry Duffy, president of the Amalgamated Union of Engineering Workers, said yesterday that reports from his district officials indicated that the strike would receive overwhelming support.

Engineering union leaders are expected today to endorse proposals for two-day strikes every week in support of their claim on minimum time rates and shorter hours.

Groups of workers in a number of large companies which have been hit by the current series of one-day stoppages and the national overtime ban decided yesterday to work on Monday and Tuesday.

Some of these companies, however, have separate industrial relations problems which may have affected those decisions.

Senior Transport and General Workers Union shop stewards BL Cars' Cowley assembly plant "released" their members from industrial action, and decided not to impose pickets.

Senior regional officials said yesterday that the attitude of the workforce was largely a protest at the policy of the Confederation of Shipbuilding and Engineering Unions on semi-skilled workers' pay at BL.

About 400 workers at the company's Longbridge plant staged a meeting to protest at the strikes, but the plant will almost certainly be shut, partly because of picketing.

A similar number of workers at the Solihull Rover plant walked out yesterday to form a right-to-work campaign committee, and a mass meeting at BL's Javelin plant decided to work normally.

Engineering workers at Dunlop's Coventry plant and Hoover's Merthyr Tydfil factory also appeared to have decided to ignore the strike. The Hoover plant, however, is undergoing severe absenteeism and industrial relations problems.

Shop stewards told a mass meeting at Singer's Clydebank factory that the two-day strike was an instruction, but there appeared to be some resistance from some of the workforce.

The Engineering Employers Federation said workforces in 1,200 of their 6,500 member companies were prepared to work on Monday and Tuesday. This covered 250,000 workers out of the 1.1m employed by federation companies.

The employers underestimated support for action during the early part of the dispute, however, Mr. Terry Duffy said engineering employers were spending large sums of money in an effort to dissuade their workers from supporting the dispute.

McHenry to succeed Young

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT JIMMY CARTER has chosen Mr. Donald McHenry, a black career diplomat, to succeed Mr. Andrew Young as ambassador to the United Nations.

The appointment of Mr. McHenry, 42, which must be confirmed by the U.S. Senate, had been mooted ever since Mr. Young resigned two weeks ago in a diplomatic storm over his meeting a Palestine Liberation Organisation official in New York and not fully informing the State Department about it.

Mr. McHenry, who has served as Mr. Young's deputy at the United Nations, was the key U.S. negotiator in the diplomatic tug-of-war between Washington and Moscow over the departure of Soviet ballerina, Mrs. Lyudmila Vlasova, from New York.

A White House Press secretary said yesterday from Plains, Georgia, where the President is holidaying, that Mr. McHenry "has demonstrated both toughness and coolness under fire. He has strong negotiating skills, as he demonstrated as late as last week."

The ballerina, whose husband, Mr. Alexander Godunov, defected to the U.S. eventually returned to the Soviet Union, after Mr. McHenry and other U.S. officials determined she was doing so of her free will.

Mr. McHenry does not have the same standing in national black organisations as Mr. Young, a preacher turned politician and former aide to the late Dr. Martin Luther King. But by replacing Mr. Young with a well-respected, if not well-known, black President Carter may have gone some way to mitigate black criticism that Mr. Young was made a scapegoat for U.S. policy on the Middle East, and to prevent a rift between American black and Jewish organisations.

This week, the President appealed for co-operation, not confrontation, between U.S. blacks and Jews, two staple segments of the coalition that makes up the democratic party.

Unlike Mr. Young, whose free-wheeling ways often plunged him into diplomatic hot water, Mr. McHenry has a reputation for discretion. Like Mr. Young, however, he has played a key role in U.S. policy towards Africa, in particular the negotiations between Southern Africa and Western countries about Namibia.

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Prior says union law change to go ahead

By Richard Evans, Lobby Editor

MR. JAMES Prior, the Employment Secretary, made it clear yesterday, three days before the Trades Union Congress meets in Blackpool, that the Government's proposals would proceed with its industrial relations law reforms in spite of strong opposition from the unions.

Mr. Prior told Conservative trade unionists at Swinton, North Yorkshire, that the Government's proposals would restore the balance in industry to the benefit of everybody, including union members. This would enable trades unions and managements to operate more effectively and responsibly.

The fierce union opposition, is certain to be underlined by the TUC next week, but it remains the Government's intention to introduce a Bill on picketing, the closed shop and the provision of public funds for union ballots in the late autumn, and to complete the legislation in the current Parliamentary session.

Mr. Prior went out of his way last night to stress that the proposals were not wide ranging and were not an attempt to create a completely new legal framework for the conduct of industrial relations. They were aimed at tackling specific problems about which there had been public concern.

It was not right to represent the changes as an onslaught on the basic rights of trades unions and workers. But he did not believe that the correct balance of power and responsibility could be achieved by purely voluntary means.

Lourho buys into Ludwig properties

BY JAMES BARTHOLOMEW

MR. "TINY" ROWLAND, chairman of Lourho, and Mr. Daniel K. Ludwig, reputedly the richest man in the world, have joined forces through Lourho's purchase of a half share in Princess Properties International, a luxury hotel company owned by Mr. Ludwig.

Lourho is paying \$81m (£36m) cash and issuing 5m shares to Mr. Ludwig worth £3.8m at yesterday's price of 71p.

Princess Properties owns seven luxury hotels in Bermuda, the Bahamas, Mexico and California as well as residential, condominium, hotel and office developments. Its book value is about \$182m (£81m) but Mr. Paul Spicer, a Lourho director, said yesterday that, in his view, the replacement cost value be a minimum of \$300m.

"This is an amazing partnership," Mr. Spicer said. Mr. Rowland and Mr. Ludwig who is 61, had met several times in California and elsewhere and had "got on like a house on fire." Before long they understood each other so well "they talked in shorthand."

Lourho would have no problem raising the money for the deal, Mr. Spicer said. After many years in which the company's borrowing ability had been hamstrung by official inquiries hanging over it, Lourho was now able to obtain longer term finance.

A partial move to longer term borrowings had already taken place, while the cash flow from

Bid to settle ITV dispute

BY GARETH GRIFFITHS

SIGNS OF a possible breakthrough in the Independent Television dispute which has kept screens blank for three weeks emerged yesterday when the Advisory Conciliation and Arbitration Service asked both sides to attend talks next week.

The ACAS intervention followed a decision yesterday by the managing directors of the 15 ITV companies to agree to talks with the unions.

This was after a request by Mr. Jack O'Connor, the Association of Grammar, Television and Allied Technicians' national television organiser, to the companies asking for fresh negotiations.

ACAS officials said the talks would probably be on Monday, either at Blackpool or Manchester. Mr. Andy Kerr, ACAS' chief conciliation officer, will chair the meeting which, it is hoped, will be between the Independent Television Companies Association and the ACTT, the National Association of Theatrical, Television and Kine Employees and the Electrical and Plumbing Trades Union.

Two previous ACAS interventions failed to bring the two sides together.

Mr. Ken Carrington, labour relations adviser to the ITCA, said the companies had always believed the matter at issue were best solved by discussion rather than by

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10/21/50

2 OVERSEAS NEWS



Soweto, 1976: Marchers flee riot police. Now, 3 years later, Mr. Botha pays a courtesy call.

Promises fail to impress Soweto blacks

BY QUENTIN PEEB, IN JOHANNESBURG

MR. P. W. BOTHA yesterday became the first South African Prime Minister to visit the huge black township of Soweto, near Johannesburg. Closely protected by police sharpshooters, he told the inhabitants: "This is not just a courtesy call. This is one of the highlights of my career. Our presence here is proof that we are prepared to open our hearts to you."

Mr. Botha's visit was a major public relations exercise to demonstrate his concern for better black-white relations in South Africa. Accompanied by half a dozen members of his Cabinet he made a whistle-stop tour of the showpieces of township, which was the centre of the 1976 riots in which more than 600 people died.

A modest crowd of some 250, mostly women and children, greeted the Prime Minister as he turned out for his tour of health fairs in by helicopter. Others clinics, schools and a training

centre. Some by-standers shouted "Hello, Baas," at his speeding limousine, while armoured police cars patrolled the streets. But the sprawling black ghetto of some 1.5m people was largely unmoved by the occasion. Most were at work, although in the township, as many as one in five are unemployed.

The visit represented final recognition by the South African Government that black urban areas, as well as the tribal Homelands, have a permanent place in the country. But Mr. Botha was careful not to promise any dramatic reforms to give urban blacks greater political rights.

His visit, including talks with members of the Soweto Community Council set up by his Government, was an unprecedented demonstration of concern from the ruling National Party about race relations in

South Africa. After the Prime Minister's tour of all the tribal Homelands, the visit to Soweto fits in with the new policy of attempting to accommodate the aspirations of urban blacks, without giving them a direct say in the national political system.

"We are all South Africans," he declared in a speech to the Community Council. But Mr. Botha had no answer to the problem of how to incorporate black people outside the Homelands into the system of separate development, without granting them majority rule.

Mr. Botha's speech was primarily devoted to enthusiastic generalities: "I came with an open mind, and I leave with a heart full of hope and enthusiasm," he said. "I came as a friend, not an intruder."

He promised that Soweto's debts, totalling some R9m

(£4.8m), would be written off by the Government, but for the future, the solution to Soweto's problems was through the free enterprise system.

Those problems are enormous: 100,000 box-like homes, half of whom are illegally living there. The fate of illegal residents was cruelly illustrated when an illegal immigrant of 37 years, standing, married in Soweto and the father of three children, was deported to Mozambique—without his family—on the eve of Mr. Botha's visit.

Only one in five homes has electricity, and the only bus-stations in the city are petrol stations and a sprinkling of corner shops.

The entire complex is enveloped in smog from the morning to the following morning from the thousands of coal and wood-fired stoves. The crime rate is one of the highest

in the world, while one hospital and eight health clinics have to cater for the whole population.

Mr. Botha's problem is to come some way towards answering the aspirations of the urban black population, without worrying his own electors that he is promoting racial integration and black majority rule.

His answer is to try to improve the material condition of life in Soweto—with a major electrification programme and plans for shopping centres and new public amenities without offering more than municipal rule to answer political aspirations.

On the basis of yesterday's experience, Mr. Botha seems confident he can do it. But one Soweto resident bearing a placard thought otherwise. The placard read: "Why should we welcome you, Mr. Botha, when you are the cause of our people's suffering?"

Libya presses India to supply nuclear technology

BY K. K. SHARMA IN NEW DELHI

LIBYA IS putting pressure on India to supply nuclear technology. The feeling here is that Libya wants Indian "know-how" to make nuclear weapons.

It is believed in Delhi that this is why Libya has suddenly suspended crude oil supplies to India, even though a contract had been signed earlier this year for shipments of 1m tonnes this year, and 2.5m next.

Shipments were suspended after a mere 350,000 tonnes. The official reason given by Libya is that this was due to "commercial difficulties. But it is believed here that Col. Gaddafi is not happy with the way the nuclear agreement between the two countries is being implemented.

Under the agreement signed earlier this year, Libya and India agreed to co-operate in developing nuclear energy. To Libya, this meant it would train Libyan engineers and scientists in maintenance and running of nuclear plants, of which two are located in India, while two more are being established.

Apparently, Libya is not satisfied with this "know-how" on nuclear fuel technology. India has developed this and as a result exploded a nuclear device in the Rajasthan Desert in May, 1974. However, the Government's policy is not to transfer this "know-how" to any other country, and nuclear cooperation with others is limited to peaceful uses of nuclear energy.

India needs Libyan crude

because of growing import needs, despite the increase in internal production. It also wants to diversify sources of supply and avoid the situation that arose when Iranian supplies were disrupted. Apparently aware of this, Col. Gaddafi is using this to put pressure on the Indian Government.

The Indian Government is concerned at the prospect of Libyan supplies being totally cut off and has urgently summoned its Ambassador from Tripoli for talks to resolve the issue. It is extremely unlikely that Libyan demands will be agreed to, especially as Col. Gaddafi is backing the nuclear device thought to be under construction in Pakistan.

Fears over Zia's political curbs

BY DAVID HOUSEGO

NEW REGULATIONS to control political parties in Pakistan announced by President Zia-ul-Haq in a radio broadcast on Thursday night have aroused fresh fears among the President's opponents about the freedom and fairness of the General Election due to be held in mid-November.

The regulations appear to be designed to diminish the power of the People's Party of the late Mr. Bhutto, which has been gaining in popularity since his execution nearly four months ago.

General Zia said that political parties which would have to register officially with the

Election Commission, could be disqualified from taking part in the election for a number of reasons. The reasons included stirring up hatred against the armed forces or activities detrimental to public order or the ideology of Pakistan.

Political parties would have to submit their accounts to the Election Commission and those found receiving funds from abroad would also be disqualified. The head of the Election Commission is Mr. Justice Musharraf Hussain, who was also the Chief Justice of the Lahore High Court which sentenced Mr. Bhutto to death. Attacks on the judiciary would also make

parties liable for disqualification.

General Zia's military regime is apprehensive that the People's Party might emerge as the single largest party in the election and then conduct a campaign of revenge against the armed forces.

The General said in his broadcast that though he was working for elections to be held, the atmosphere of violence and confrontation had first to be removed from the political scene. His remarks on this score are being interpreted by some political leaders as signs of a withdrawal from his commitment to hold elections.

Japanese companies quit Iran

BY RICHARD C. HANSON IN TOKYO

JAPANESE companies have pulled out of two Iranian petrochemical ventures which have been put out of operation by the economic disruption following the Shah's fall.

The Japanese Government plans to send a mission to Iran next week to discuss final details for resumption of work on the nearly complete Iran-Japan petrochemical complex in Bandar Khomeini.

Mitsubishi Chemical Industries and Nisso-Iwai signed an agreement earlier this week in Tehran transferring their 50 per cent share in Iran-Nippon Petrochemical Co. (IRNIP) to the Iranian partner, the State-owned National Petrochemical Co., accepting a loss between themselves of about ¥2bn (£4m). Iran had announced earlier it was seeking to buy out shares of foreign partners.

IRNIP, which was established

in 1973 and began production in April 1976, produced plastics of vinyl chloride (40,000 tonnes annual capacity). Losses have mounted since shutdown of operations late last year to over the capitalisation of ¥7m.

Mitsubishi, the largest chemical company in Japan, and the trading house Nisso-Iwai also have ¥15m in loans outstanding to the venture, which Iran has said it will try to pay back gradually.

Nippon Chemical and Engineering Construction Company said it has abandoned its 49 per cent share in a somewhat smaller joint venture with Iran, which had produced parts for refineries and plants.

The venture had been set up in 1974 to serve as a production base in the Middle East, but closed with the revolution. Chiyoda said its losses on the

venture amounted to about ¥2bn.

Mr. Nishiro Amaya, Deputy Minister, International Trade and Industry, will lead a group from the Japanese Finance Ministry, Foreign Ministry and his own Ministry, to Iran next week, to discuss with the Government the petrochemical project being constructed jointly with the Mitsui Group.

Consumers in Tokyo enjoyed some respite from rising prices in August, but the outlook for coming months remains uncertain as the impact of oil price increases on the wholesale level begins to influence the consumer price index.

The Tokyo consumer price index fell 1.5 per cent in August from July and rose only 2.7 per cent from the year ago level to stand at 127.6 (1975 equals 100), according to the Prime Minister's Statistics Office.

Relief aid pours in for Dominica

By Tony Cozier in Barbados

INTERNATIONAL AID has begun to pour into the island of Dominica, where the death toll after Hurricane David struck on Wednesday has reached 16 and is expected to rise.

The Canadian Government is to give an immediate £5,000 and the U.S., Britain and Venezuela were also planning relief missions.

The British frigate Fife broke off from a Caribbean cruise and has been in Roseau, the capital, since Wednesday, and is helping in early relief work.

The official death toll is 16, but the Nation newspaper here carried a report yesterday giving 26 dead and 60,000 homeless, all unconfirmed.

In London, the Overseas Development Administration said Britain is giving a £10,000 cash grant.

In addition Britain is to fly out medical supplies, blankets, and polythene sheeting for temporary shelter. Total estimated cost of UK aid is £35,000.

Christian Aid has made an initial grant of £5,000.

Romania envoy in Mideast talks

BY DAVID LENNON IN TEL AVIV

A SPECIAL envoy from President Nicolai Ceausescu of Romania met with Mr. Menahem Begin, the Israeli Prime Minister, in Jerusalem yesterday amidst speculation that this may be part of a new Middle East peace drive by the Romanians.

The envoy, Mr. Vaele Pungan, spoke with Mr. Begin for an hour and a half, but

neither side was prepared to reveal any details of the talks apart from the fact that they had discussed bilateral relations and Middle East and world issues.

The Romanian President—who played a key role in preparing the ground for President Sadat's dramatic peace initiative in 1977—met recently with President Hafez Assad of Syria

and Mr. Yassir Arafat, chairman of the Palestine Liberation Organisation.

Because of these meetings there was much speculation in Jerusalem that the envoy was possibly reporting to Mr. Begin on these talks and that his visit may be part of a new Romanian Middle East mediation effort.

Finnish nuclear programme in trouble

By Lance Keyworth in Helsinki

FINLAND'S nuclear energy programme has suffered two setbacks. A radioactive leak from a ruptured pipe has shut down one of the two reactors in operation, and manufacturing problems have delayed the construction of a reactor delivered by the Soviet Union by at least six months.

Lovisa I, a Soviet 440 MW pressurised water reactor has been operating successfully for two years. But faults were discovered in the pressure vessel of its twin, Lovisa II, in March this year, shortly before it was due for loading. The Finnish State power utility Imatran Voima Oy, is awaiting further information from the Soviet supplier on what it proposes to do to repair the faults.

It is hoped that repairs will be carried out on the spot and the work then can proceed in October. But at worst the faulty corrosion shield of the pressure vessel will have to be removed and shipped back to the Soviet Union for rebuilding. This could set the delivery schedule back two to three years.

The other two reactors are 660 megawatt units supplied by ASEA-Atom Ab of Sweden. Olkiluoto I, the first of these two units, went on line earlier this year, and Olkiluoto II is due to go critical shortly. The pipe damage in Olkiluoto I is not considered serious and it should be operational again within a few weeks.

Finland imports two-thirds of its total energy requirement, and oil accounts for 50 per cent of its energy consumption.

Finland's nuclear policy exhibits the same balancing act between East and West as its foreign policy. The current nuclear programme, designed to meet 12 per cent of the country's energy requirements in the 1980s, comprises the two reactors of Soviet design and two of Swedish make.

The Soviet Union is supplying its reactors on especially favourable terms involving 20-year credits at 2.5 per cent interest.

BP gives details of Irish oil find

BY SUE CAMERON

BRITISH PETROLEUM yesterday gave details of its oil find off the west coast of Ireland, but the group has not yet decided whether to explore further in the same area.

BP Petroleum Development said it had found hydrocarbons in three separate sands during drilling in its Porcupine Basin well 26/28-1 off the Irish coast in the Atlantic.

But the sand seams were each about 10 metres thick—unimpressive when compared to sands 100 to 150 metres thick

that have been found in the North Sea.

BP said that during stem tests the well flowed at an average rate of 1,915 barrels a day through a 0.75 inch choke from one sand. It flowed at an average rate of 3,095 b/d through a 0.75 inch choke from the second sand and at an average of 579 b/d through a 0.5 inch choke from the third.

The well had been drilled to a total depth of 3,315 metres, and a full assessment of the

results would have to be made to enable the group to determine its further exploration plans.

BP Petroleum Development is the operator for the BP/Aran licence 4/76 group. The group includes Amerasia-Hess, Aran Energy, BP, Bula Oil, Getty, Saga and Sceptre.

The well on 26/28-1 is in more than 1,235 feet of water and is almost 100 miles west of the nearest landfall on the Irish coast.

WEEKS PETROLEUM LIMITED AND SUBSIDIARIES



INTERIM RESULTS FOR THE SIX MONTHS TO 30th JUNE, 1979. (UNAUDITED)

Since the 16th July, 1979 listing on The London Stock Exchange, the company has actively continued its drilling and exploration programmes. Two gas fields in the Gulf Coast Area of the United States, Blind Pass and High Island Block 532, have commenced production and a well in the Matagorda Bay Field (U.S.) has extended the oil producing area of the field. A development well in the Seabreeze Field (U.S.) has added significantly to the company's future gas reserve. Negotiations with the Japanese fisheries are progressing with a December drilling date scheduled for the East China Sea Block 7. Offshore Australia, the company has, subject to routine government approval, increased its interests in the NT-P2 Block from 1 per cent to 6.034 per cent, with drilling planned for mid-1980.

The company has purchased approximately 12 per cent of the share capital of Alliance Oil Development Australia N.L. and, subject to obtaining necessary government consents, will enter into an agreement for the exchange of technical information and co-operation in oil and gas exploration. In addition, subject to government consents and approval by Alliance shareholders, Alliance will issue shares to Weeks equivalent to 30 per cent of its share capital as enlarged. Weeks will issue to Alliance ordinary shares equivalent to 2.07 per cent of its share capital.

The Directors state that the revenue estimate in the listing document of U.S.\$16,241,000 for 1979 is still valid since Australian and U.S. revenues for the last half of the year are expected to exceed those for the first half by a significant margin.

31st August, 1979

CONSOLIDATED STATEMENT OF INCOME		
	Six Months ended 30th June, 1979 US\$'000	Six months ended 30th June, 1978 US\$'000
Revenue		
Australian royalties	5,740	4,992
United States oil and gas sales	934	1,846
Other	65	35
	6,739	6,876
Costs and Expenses		
United States production costs	256	362
Depletion, depreciation and amortization	1,344	1,087
General and administrative	814	902
Interest expense	652	642
Other	286	225
	3,352	3,218
Income before income taxes	3,387	3,658
Provision for income taxes	1,464	1,266
Net Income	\$1,923	\$2,392
Net income per share	\$0.4	\$0.5

Notes:
1. The results of operations for 1978 have been restated to give effect to the changes in accounting for oil and gas interests as described in Note 1 to the 31st December, 1978 financial statements and to give effect to the additional Australian income taxes implemented in November, 1978 by the Australian Government and made retrospective to 1st October, 1977. Net income previously reported for the six months ended 30th June, 1978 was US\$1,775,000 (US\$0.4 per share).
2. Holders of the preferred shares have the right to receive a cumulative annual dividend of 3.15 Australian cents per share. It is the company's practice to pay the dividend half yearly in equal amounts of 1.575 Australian cents per share. No dividend is paid on the ordinary shares.

Carter increases public workers pay award to 7%

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT CARTER yesterday bowed to the surging U.S. inflation rate and announced that he would give the 3.5m civil and military employees of the federal government a 7 per cent pay increase on October 1, and not the 5.5 per cent rise he had promised earlier.

This retreat by the President on the issue of pay in the public sector, which he had hoped could be used to set an example to the rest of the work force in the fight against inflation will be seen in some quarters as a weakening of the Administration's resolve to combat inflation.

But federal employees—relatively few compared to public sector workforces in other countries—had increasingly complained they were being forced to bear a disproportionate burden in fighting inflation, which in the first six months

of this year ran at over 13 per cent annually.

The pay increase will take effect on October 1, unless Congress decides to make the increase even higher and approve the 10.41 per cent pay rise recommendation which government officials made. That is Congress' only other option on this issue.

Mr. Carter admitted in his message yesterday to Congress that his recommendation of a 5.5 per cent pay increase made at the time of the unveiling of the 1980 budget last January, assumed "significantly lower rates of inflation than we have actually experienced. I believe that the loyal and outstanding service given to the country by the government's civilian and military personnel warrants recognition of that changed circumstance and of the new pay standards for 1980," he said.

Turkish hotel dispute goes to arbitration

By Metin Muir in Ankara

ISTANBUL Turizm Ve Otellik A.S. is to refer its dispute with the American Intercontinental Hotels Corporation Group (IHC) to international arbitration, a company spokesman said yesterday.

Istanbul Turizm Ve Otellik A.S. is a company with foreign capital, participation of which the major shareholder is the Ottoman Bank Group.

It owns the Intercontinental Hotel in Istanbul, which was designed and built according to IHC standards, and turned over to the Intercontinental some three years ago, under a 20-year lease agreement.

Last month, IHC notified the owning company of its termination of the lease agreement by giving a three-month notice, claiming that "causes beyond its control seriously restricted the operation of the hotel as contemplated in the lease," the company spokesman said.

Binaisa angry over foreign aid

BY JAMES BUXTON

MR. GODFREY BINAISA, the President of Uganda, yesterday criticised Britain and other countries for being ungenerous with aid to his country since the fall of Idi Amin. The amounts of aid so far committed were small and there was no sign of the "mini-Marshall Plan" which Uganda needed, he said.

Instead, Uganda was portrayed in the Press as lawless and unstable and his Government as unrepresentative. "It is not true to say that I am an upstart, a usurper of power," intending to "stay in power forever," he said.

Mr. Binaisa, who took over as President in June from Professor Yusuf Lule, stressed that Uganda wanted a mixed economy. Speaking in London, he said that some foreign investors were already returning to the country and its foreign investment protection law was still in force.

But the aid Uganda had so far received was inadequate, he said. Britain had given £2m for rehabilitation and Australia,



President Godfrey Binaisa

and other economic installations (which is what British aid is going to do) came second, longer-term project aid came third.

At a conference of donors in Kampala recently \$135m was pledged in aid but many are believed to be waiting for the Uganda Government to adopt what they would consider a clearly defined economic strategy.

Britain, whose High Commissioner attended the conference, wants to see what Uganda's longer-term needs are before making further commitments, the Overseas Development Administration says.

President Binaisa, who was on his way to the non-aligned summit in Havana, pleaded for more understanding of his political difficulties. Reporters greatly exaggerated the lawlessness of the country, he said, but it was difficult to maintain law and order with a police force that now numbered only 2,000 men out of an original 14,000.

The number of Tanzanian

troops had been reduced from 46,000 to 30,000 but the remainder were needed to guard the country before a new Ugandan army could be trained. The country's consultative council would be expanded from about 30 to about 80 by October, to represent the "insiders" — Ugandans who stayed in the country throughout President Amin's rule. Eight out of 22 Cabinet members were "insiders." It would take two years to organise elections as there had been no voters' register since 1961.

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THINK NEWS

Defence Ministry to review workforce

BY LYNTON McLAIN

MR. FRANCIS PYM, Defence Secretary, has ordered six studies into ways of cutting civilian costs and manpower in the Ministry of Defence.

The dockyards review, to be headed by Mr. Keith Speed, Navy Minister, may be one of the most sensitive.

One of the options may be for the yards to take on commercial work. But in view of the excess capacity at British civilian ship repair yards...

Defence research and development sites, such as the Royal Aircraft Establishment at Farnborough, will be examined "to consider how the balance of work might be altered between the establishments and other organisations concerned with defence research."

The ministry's research facilities will be looked at in relation to other defence work and the work of other Government departments, industry and universities.

The dockyard and research site studies are expected to be finished by April. The other four studies should be finished in three months.

Quality assurance work—checking standards of equipment—for the Ministry involves 8,000 workers. The study will review "the further scope for transferring quality assurance effort from the ministry to industry," the department said.

Supply management involves 40,000 workers. Outside organisations may be brought in to help with the holding, issuing and transport of food, clothing, stores and civilian-rune vehicles, for the armed forces.

A similar arrangement may be considered in the cleaning and catering review. Contracts may be placed outside the department.

The Ministry is the largest employer in Whitehall but has lost more than 100,000 jobs in the past 14 years. The call for a review of the ministry's civilian workforce comes during an intensive recruiting drive for all three armed services, which are short of 15,500 trained officers and men.

Final offer

LORD SOAMES, Lord President of the Council and Minister responsible for the Civil Service, yesterday told trade union officials representing 166,000 industrial civil servants that the Government could not accept any improvement in the staging of their pay offer.

ADVERTISMENT

OUTSIDE HOUSE PAINTING NOW ELIMINATED

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Developed during the last war in the U.S.A., and now manufactured in 34 countries, there are over six million Kenitex applications throughout the world.

Labour moderate may take Castle's seat

BY RICHARD EVANS, LOBBY EDITOR

LABOUR PARTY leaders are hoping that Mrs. Barbara Castle's place on Labour's National Executive Committee will be taken by a moderate, following publication yesterday of the final list of nominations.

There has been a behind-the-scenes attempt to persuade trade union leaders to oust Left-wing members of the NEC, particularly in the women's section, in order to end the damaging friction between the Left-dominated Executive and the party leadership.

The replacement of Mrs. Castle by a moderate would certainly help Mr. Callaghan in his next year as Opposition leader.

The leading moderate contenders for the vacancy are: Mr. Peter Shore, Mr. Roy Hattersley, and Dr. David Owen, all potential candidates for the party leadership when Mr. Callaghan retires.

The main Left-wing contender for a place, Mr. Ian Mikardo, who was ousted from the executive last year after many years' service, has decided not to stand again.

The expectation is that the composition of the 12-member trade union section will stay the same as before, so any meaningful change in political balance will depend on the women's section, where a change of trade union tactics would oust Left-wingers Miss Joan Maynard, Mrs. Renee Short, and Mrs. Judith Hart.

The elections will take place amid intense lobbying at the beginning of the party conference at Brighton from October 1 to 5.

The contest for the party treasurer is again between Mr. Norman Atkinson and Mr. Eric Varley former industry Secretary, and the signs are that the Left-winger, Mr. Atkinson, will again be successful.

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Mr. Roy Hattersley

Mr. Peter Shore

Dr. David Owen

'Work for wealth' urges Thatcher

By Rhys David, Northern Correspondent

BRITAIN WOULD be able to afford German levels of wages and public expenditure without the hated German levels of work, the Prime Minister said yesterday.

Mrs. Thatcher, on a one-day visit to industrial plants and towns in the North-west, said people in Britain had to understand that improved public services could only be paid for out of higher levels of productivity.

During her tour, Mrs. Thatcher was met by enthusiastic crowds, though she came up against right-to-work demonstrators in Skelmersdale and small groups elsewhere protesting against Government cuts, particularly in education.

She began with a visit to a Skelmersdale plant being developed by Ward and Goldstone, where 150 people are to be employed making cables for car electrical systems.

She later visited a new 55m Carrington Viyella factory at Atherton in Greater Manchester—the first new spinning plant opened in the area for 50 years.

Mrs. Thatcher mingled with crowds in the centre of Rawtenstall before going for talks with Government officials in Manchester and visiting a new low-energy housing project in Salford.

While in Skelmersdale, Mrs. Thatcher had talks with development corporation officials on the effects of the reduction in the population growth targets of the new towns. She said she had been impressed by the town's success in attracting small companies to offset the loss of several larger concerns.

She ruled out any changes in present economic policy, warning that high interest rates were necessary because borrowing was continuing at a high level. The Government was determined not to print money to bring levels down as this would only lead to renewed inflation.

The Prime Minister also defended the Government's changes in regional policy, an effect of which will be to reduce the levels of grant aid available to large parts of the North-west. Assistance was now being concentrated in areas where it was needed, such as Skelmersdale. The changes were being phased over three years, giving industry time to adjust.

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Thorpe to miss Lib assembly

By Richard Evans

MR. JEREMY THORPE, former Liberal leader, will not attend the Liberal Party assembly in Margate which opens on September 25.

His agent announced yesterday he will be out of the country. Mr. Thorpe's absence will come as a relief to local leaders, as last year's conference was dominated not by the debates, but by the presence of Mr. Thorpe.

No decision has yet been taken by the former leader on whether to stand again in his North Devon constituency.

Lloyd's to pay for reinsurance to limit Sasse liabilities

BY JOHN MOORE

A PLAN to limit the liabilities of the stricken Sasse underwriting syndicate at Lloyd's is to cost the syndicate 110 members a nominal £1m. The balance of the cost of the plan is to be met from Lloyd's funds, to which the 17,000 Lloyd's members contribute.

The syndicate is facing total losses of £20.2m, including £15.6m for the 1976 underwriting year. Lloyd's has arranged a reinsurance which will cover any deterioration in the losses on the 1976 underwriting year, in an effort to submit to the Department of Trade a clean audit certificate for the whole market's annual returns.

The community's funds are to bear the cost of the reinsurance premium. Lloyd's had previously arranged a letter of credit of £7m for the syndicate, and numerous other forms of aid.

Further aid for the syndicate from Lloyd's is possible. The lawyers of one of the syndicate members, Mr. Joseph Benjamin, head of an action group which has been seeking more help, have been in contact with the Committee of Lloyd's and Mr. Stephen Merritt, manager of the syndicate.

In a statement issued ahead of a meeting of the syndicate members, Mr. Merritt and Mr. Benjamin said delicate negotiations were proceeding.

If the syndicate does have to claim on its reinsurances because of any deterioration in the losses, it will pay across to reinsurers any recoveries it can make from other sources. One possible source is its legal action against the Brazilian Reinsurance Institute for \$13m in alleged unpaid reinsurance claims.

Brentnall Beard Holdings, the

international broker whose major subsidiary played a key part in the events leading up to the Sasse losses, has told shareholders in a circular that Lloyd's is planning to take action against the international subsidiary and another company.

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£1m jobs boost for Scots

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE British Steel Corporation's job-creation subsidiary BSC (Industry), is to invest a further £1m in the West of Scotland following the success of its Clyde Workshops development. It is hoped the scheme will provide 900 new jobs.

Last year the company converted disused buildings at the former Clyde Iron Works, Glasgow, into 52 factory units suitable for new enterprises and existing small firms. All were let within six months, creating 300 jobs, and 17 more are now being filled.

Yesterday Mr. P. G. Naylor, chief executive, said that BSC (Industry) intended to extend the scheme by developing more vacant land at Clyde Iron and opening workshops on the site of the closed Fullwood foundry, Hamilton.

The new scheme was announced during a visit by Mr. Alex Fletcher, the Scottish Industry Minister.

Union leaders in move to cancel meeting with party treasurer

BY CHRISTIAN TYLER, LABOUR EDITOR

UNION LEADERS want to call off next Thursday's meeting with the Labour Party treasurer.

They fear it would prejudice delicate negotiations on a plan for joint examination of the party's structure, finances and organisation.

Mr. Norman Atkinson, MP, was to have met the unions, the major provider of party funds, during next week's TUC Congress in Blackpool. But the nine general secretaries of the Trade Unionists for a Labour Victory committee want to wait until after they have seen the organisation committee of the Labour Party National Executive on Monday week.

At that meeting, they will present a plan for averting a showdown at the party conference in Brighton next month over controversial constitutional reforms. They plan to ask the conference delegates to let an inquiry consider the issues first, but to recall them for a special conference to debate and vote on the report.

This is to satisfy delegations reluctant to put off the debate for 12 months or leave it to a new set of delegates in the following October.

One of the big question marks hanging over the congress is whether the locomotive's union, ASLEF, will be persuaded to withdraw its motion asserting the supremacy of the Labour Party conference in policy making.

The motion has been ruled out of order by the TUC General Council on the grounds that it is not within the TUC's competence to debate the party's constitution.

ASLEF's motion could also throw a spanner in the works of the trade union leader's private discussions with the party's national executive.

Yesterday the TUC General Council virtually completed its consideration of the congress agenda. It is asking for remission of a motion that would precipitate another debate on the representation of trade unions on the council.

It approved the motion that would set up the review of the TUC's own structure and services including the possibility of new committees for industrial sectors not already covered.

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Caplan extradition order signed

BY CHRISTINE MOIR

JUDGE ROBERT FIRTH of the U.S. District Court in Los Angeles has finally signed the extradition order to return Mr. Gerald Caplan, former chairman of London and County Securities, to the UK.

He faces charges in connection with the collapse of the bank.

Mr. Caplan was arrested in April last year and accused of stealing £2.4m from the group. He has been fighting extradition ever since, partially on the grounds of ill health.

Mr. Caplan's U.S. lawyers said they would apply for a writ of habeas corpus in a last-ditch attempt to reverse the order. The legality of the order would then be tested in a higher court.

Mr. George Beuhler, one of the lawyers, said he would ask the higher court to rule that there was insufficient evidence to warrant the extradition.

In January of this year, Judge Firth ruled that Mr. Caplan could be extradited, but did not sign the order because of the complex forms

of appeal open to Mr. Caylan.

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Mersey yard wins £1.5m trawler deal

MCTAY MARINE, of Bromborough, Merseyside, part of the Mowlem construction group, has won a £1.5m order for two 83 ft fishing vessels from Harry and Alan Maginnis, a family

fishing company of Killybeg, Co. Donegal, Northern Ireland.

The shipbuilding company is part of Mctay Engineering, which was taken over by Mowlem in November 1977. It specialises in small- and

medium-sized vessels up to 140 ft, including workboats, trawlers, small passenger ferries and yachts.

The two trawlers are expected to be delivered in the second half of next year.

NEWS ANALYSIS—BNOG BY PETER RIDDELL

Howe must hurry to win his sale of the century

THE DEBATE in the British National Oil Corporation Board yesterday about the disposal of up to £400m of its assets highlights the controversy surrounding the sale of the century—as the large-scale disposal of public sector assets has become known.

This is in part the result of the Government's ideological commitment to limit the size and broaden the ownership of state-owned assets of various kinds. But there are also important immediate financial motives.

The need to raise a large amount of money quickly is determining both the timing and selection of assets to be sold.

The background was made clear by Sir Geoffrey Howe, the Chancellor, in the Budget on June 12. He said that sales of the state-owned assets to "an essential part of the long-term programme for promoting the widest possible participation by the people in the ownership of British industry. This objective—wider public ownership in the true meaning of the term—has implications not merely for

also for the methods of sale we shall adopt."

He also stressed that the sales would serve "the immediate purpose" of helping to reduce public sector borrowing which is "all the more necessary this year, given the difficulty of cutting back public sector spending programmes once a year has already begun."

In other words the Government has been looking to the sale of assets to bridge the gap to reduce borrowing in the short-term before other policies work through.

Sir Geoffrey gave few details apart from saying the proceeds in the financial year to next April would amount to some £1bn, with the biggest contribution coming from the sale of a further part of the Government's shareholding in British Petroleum. This follows the 1977 precedent when the Labour Government raised £590m through the sale of BP shares.

The Treasury estimates that the sale of assets will reduce public sector borrowing in 1979-80 from £9.3bn, which would have been regarded as too high by most City analysts to be compatible with the

which is seen as acceptable.

Official figures of central government revenue and spending available since the Budget provide no indication that borrowing will be below this level.

The need to find £1bn by the end of next March applies a further constraint since some of the major proposals—for instance, the sale of parts of British Airways and the National Freight Corporation to the public—require legislation and cannot be put into effect until at least next year.

This narrows the field considerably and the sale of some of the National Enterprise Board's equity holdings in existing quoted companies will not raise much money.

This priority explains why the Government has asked BNOG to contribute £400m in the current financial year and why the English New Towns have been instructed to sell £140m worth of properties by the end of next March.

The size of these proposed disposals raises a big question about the scale of the sale of BP shares, about which the Cabinet economic strategy committee will decide within the

Anglo American Industrial Corporation Limited

(Incorporated in the Republic of South Africa)

INTERIM REPORT AND INTERIM DIVIDEND

The following are the unaudited results of the corporation and its subsidiary companies for the six months ended 30th June 1979, together with the comparative figures for the six months ended 30th June 1978 and the year ended 31st December 1978. These should be read in conjunction with the notes below:—

Table with 3 columns: Half-year ended, Half-year ended, Year ended. Rows include Group profit before taxation, Depreciation and deferred taxation, Group profit after taxation, Loss per share attributable to minority interests in subsidiary companies, Group profit attributable to Anglo American Industrial Corporation Limited, Cost of interim dividend No. 31 of 32.5 cents per share, Number of shares in issue, Earnings per share cents, Dividends per share cents.

NOTES: 1. The results for the six months ended 30th June 1979 are not directly comparable with those for the six months ended 30th June 1978 as they include the attributable profits of Mondri Paper Company Limited, which became a partly-owned subsidiary with effect from 1st July 1978, and the profits attributable to Bruynzeel Plywoods Limited from its interest in Spankor Benerk, as well as the trading results of the African Products group, which were consolidated as from 1st October 1978.

2. All the operating subsidiaries in the group have increased their profits substantially when compared with the corresponding period in 1978. Subject to no unforeseen circumstances arising, it is expected that the group's results for the second half of 1979 will be similar to those reported for the six months to 30th June 1979.

3. In the opinion of the boards of directors of two wholly-owned subsidiaries of the corporation there is uncertainty regarding the recovery of profits from certain of their respective foreign subsidiaries. Consequently the results of such foreign subsidiaries have not been consolidated in the respective group results of the two wholly-owned subsidiaries. This policy has been adopted with the consent of the necessary authorities. The comparative figures have been adjusted accordingly.

4. During the period under review the corporation disposed of the entire issued share capital of S.A. Forest Investments Limited to its subsidiary Mondri Paper Company Limited (Mondri) in exchange for the issue to the corporation at par of 9,000,000 new ordinary shares of R1 each in the capital of Mondri. The Corporation's equity interest in Mondri has increased accordingly from 53.92 per cent to 62.65 per cent.

5. Non-trading items

Table with 3 columns: Half-year ended, Half-year ended, Year ended. Rows include Surplus (loss) on disposal of land and buildings, Amount written off fixed assets, Other items (net).

6. Particulars of the group's listed investments are as follows:—

Table with 3 columns: At, At, At. Rows include Market value, Book cost, Appreciation.

7. Group commitments for capital expenditure at 30th June 1979 amounted to R35,908,000 (1978: R7,704,000).

For and on behalf of the Board G. W. H. Reilly, W. G. Brousted, Directors

Interim Dividend No. 31

Notice is hereby given that dividend No. 31 of 32.5 cents a share (1978: 35 cents) being an interim dividend for the year ending 31st December 1979 has been declared payable to shareholders registered in the books of the corporation at the close of business on 28th September 1979.

The share transfer registers and registers of members will be closed from 29th September to 12th October 1979, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about 25th October 1979. Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on 16th October 1979 of the rand value of their dividends (less appropriate taxes). Any such shareholders may, however, elect to be paid in South African currency provided that any such request is received at the offices of the corporation's transfer secretaries in Johannesburg or the United Kingdom on or before 28th September 1979.

The dividend is payable subject to conditions which can be inspected at the head and London offices of the corporation and also at the offices of the corporation's transfer secretaries in Johannesburg and the United Kingdom.

The effective rate of non-resident shareholders' tax is 15 per cent.

By order of the Board Secretary per D. M. Davidson Divisional Secretary Registered Office: Consolidated Share Registrars Limited, 62 Marshall Street, Johannesburg 2001. (P.O. Box 61061 Marshalltown 2107) London Office: Charter Consolidated Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent, TN24 5EQ. 1st September, 1979.

UK NEWS

Air fares to Europe go up 6% today

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE UK Government yesterday, through the Civil Aviation Authority, approved a rise of 6 per cent in all UK air fares to the Continent, effective from today.

It is hoped this decision will end the mounting confusion in the air travel market throughout the past week, following the original rejection by the UK Government last week of a 10 per cent rise in European fares sought by all the member airlines of the International Air Transport Association.

Many airlines, including British Airways, had begun to sell tickets in advance for travel from today, at the 10 per cent higher rates, even though they had not been agreed by the UK Government.

As a result, when the Government rejected the 10 per cent rise just before the August Bank Holiday, the air travel market was taken by surprise.

During the past week British Airways and other airlines in the UK have been obliged to make refunds to passengers who bought tickets at the 10 per cent higher rate.

As recently as yesterday afternoon, however, some travel agencies in London did not

appear to realise that the Government had vetoed the 10 per cent rise, and were still selling tickets at that rate.

It was because of this confusion that the Civil Aviation Authority yesterday, with the approval of the Department of Trade, acted swiftly when British Airways submitted a new fares package, based on a compromise increase of 6 per cent.

But the airline made it clear that it was still convinced that a full 10 per cent increase is justified to meet soaring fuel and other costs, and it hopes to continue discussions with the authority in a bid to get the full 10 per cent increase.

Anomalies
In the meantime, from today, all UK air fares to Europe, of what ever class and on every route, will rise by a flat 6 per cent.

But this will mean that fares from the UK to some Continental points will be cheaper than those from the same points in the UK.

This anomaly arises from the fact that some European governments have already approved the

IATA-agreed rise of 10 per cent, and their airlines are charging it.

Under the IATA rules, all ticket sales are based on "point of origin" — that is, wherever a ticket is sold, the price must be that approved by the Government of that country, even if it means that by buying a ticket in one country the passenger has to pay more for it than by buying it in another.

British Airways faces the prospect of paying substantial refunds to thousands of passengers who bought tickets in the UK at the 10 per cent higher rate for travel from today. But it will also be claiming a surcharge from others who have this week bought tickets at the old rates, with no increases applied.

Thus the confusion in the market-place stemming from the UK Government's action last week may take some time to clear away.

If British Airways cannot finally push the Government into giving it the full 10 per cent rise it needs, it has said that it will probably have to apply for further increases from the New Year to meet continually rising costs.

Bank profits squeeze forecast

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

A SEVERE squeeze on bank profits over the next 18 months is being forecast by J. and A. Scrimgeour, the London stockbroker.

Scrimgeour believes that in that period the clearing banks will face falling interest rates, faltering growth in bank advances, and a 20 per cent increase in wage costs as a result of recent pay awards.

But 1979 pre-tax profits should show major increases thanks largely to significantly higher interest rates: average base rate for 1979 is forecast at 12 per cent, against just over 9 per cent last year. Forecast profit increases for the major

clearers are: Barclays, 28 per cent; Lloyds, 31 per cent; Midland, 25 per cent and NatWest, 45 per cent.

In 1980 the pattern should alter dramatically, says Scrimgeour, with profit decreases of between 10 and 12 per cent forecast. This is in line with a forecast earlier this month from Wood Mackenzie, the Edinburgh stockbroker, but is below the 15 per cent overall profit decrease expected by L. Messel, the London firm.

Scrimgeour's circular to clients is critical of the terms of Midland Bank's proposed £250m acquisition of the Chicago-based Walter E. Heller

Corporation. It suggests that the pressures this would create on Midland's balance sheet could be met by disposal of "the various consortium bank stakes" — and perhaps by selling Thomas Cook and the Standard Chartered stake.

If the deal goes through, Scrimgeour expects significant earnings dilution for some time to come. "In this respect we consider it highly pertinent that the bank paid a dividend increase of under 10 per cent at the interim and maintained a discreet silence over the full year dividend, where we would look for the same order of magnitude."

Only about six international passengers in every thousand used these services, said Mr. Draper.

The poor financial results on these routes had been due to rising costs and highly seasonal demand, especially on the routes between the Channel Islands and provincial centres.

The Viscount was reaching the end of its economic life. Even if a suitable replacement was available, no economic case could be made for spending the £75m needed to re-equip the loss-making routes under review.

Agreement on closing the routes would not only enable the airline to dispose of up to 15 of the Viscount fleet of 20 aircraft but would result in an improvement of £20m in the results of the UK and Ireland network up to 1986.

That money could go towards replacing the Viscounts with jets, and helping to pay for the Boeing 737s and 757s needed to cope with expansion on the rest of the airline's network.

Up to 400 staff affected by the route closures could be found other jobs in the airline or given suitable severance pay, or early retirement.

The airline admitted yesterday that one in every three of its short-haul flights from London this summer was delayed by an average 20 minutes because of air traffic control problems on the Continent.

Long-haul flights were also affected, but less frequently, although delays in some cases were up to 40 minutes.

Air traffic control delays this summer were worse than a year ago, and were the most frequent cause of lack of punctuality.

Mr. D. Newham, general manager, operations control, said that the airline was doing its best to solve the problems.

Passenger traffic at the seven airports run by the British Airports Authority reached a new peak of 4.7m during July, 5.5 per cent up on the same month a year earlier.

For the 12 months to the end of July, passenger traffic amounted to more than 41.15m, a rise over the previous year of 12.8 per cent.

green bananas at about £5 per 40 lb carton compared with the big three's £7.20, in spite of a 20 per cent import duty on non ex-Commonwealth supplies. This could cut shop prices from 25p to less than 15p a lb.

If the Ministry does not grant the 26,000 tonnes a year quota Chris International wants the company may decide to take the cash before the European Court in Luxembourg.

Earlier this year the European Court ruled that the UK Potato Marketing Board system was illegal under Community laws and Chris International is confident that it would make a similar ruling on the banana import system, which appears to offer comparable monopoly benefits.

Former executive paid £91,500

FINANCIAL TIMES REPORTER

COMPENSATION OF £91,500 has been paid to the former deputy chairman of Fitch Lovell, the foods group.

Mr. George Cannon resigned in May after differences of view on policy matters.

The group said then that Mr. Cannon's resignation was not over an "isolated matter." There were "differences at main board level which concern major policy and strategic issues affecting long-term matters. These differences have become apparent over a period of time."

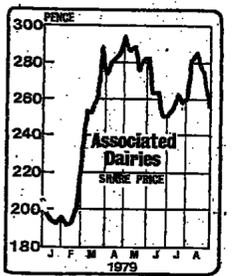
Mr. Cannon came to Fitch Lovell from Associated British Foods in March 1971. He joined the main board in May of that year, was chief executive of the group from 1972 to 1976, under the chairmanship of Sir Charles Hardie.

In April 1976, Mr. Cannon ceased to be chief executive, and became chairman of two of the group's main subsidiaries, Lovell and Christmas (Holdings), and Key Markets.

THE WEEK IN THE MARKETS

Trading in the doldrums

On the basis of the FT 30 Share Index, the equity market has spent the last week becalmed right in the middle of what is in any case a rather narrow trading range.



day the eligible liabilities of the banking system will be published, which ought to give some clue to the behaviour of the money supply in the month to mid-August.

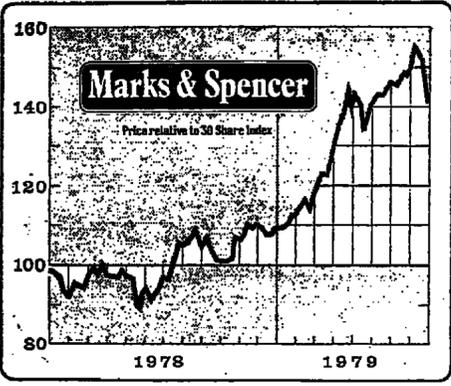
The competitors are, so far at least, laughing off the idea of a "price war," such as Tesco's lower-price campaign touched off in food retailing two years ago.

little changed this week. It will be interesting to see how much Marks' margins—as opposed to its suppliers—suffer from the price cuts.

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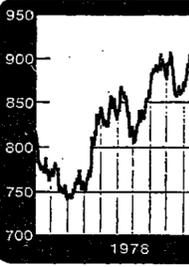
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Wheel of fortune spins higher

NEW YORK JOHN WYLES

IT IS NOT UNCOMMON in this week of the year for Wall Street to appear to have its mind on something else.



Arguments as to whether the market's strength is merely temporary or longer lasting continue to dominate and as usual the temptation to refer to the past is irresistible.

Thus, the oil embargo of late-1973 brought a severe decline on the Dow to 788, which was followed by a recovery to 880 in

MARKET HIGHLIGHTS OF THE WEEK

Table with columns: Price, Change on Y'day, Week, High, Low. Lists various market indices like Ind. Ord. Index, Gold Mines Index, etc.

U.K. INDICES

Table with columns: Average, Aug, Aug, Aug. Lists financial times, Govt. Sec., Fixed Interest, etc.

Safer than in the bank?

GOLD AND silver prices at new peaks, rough diamond prices raised, quotations for base-metals, moving up in the wake of that for copper, strong markets for mining shares, particularly the South African and Australian issues, all have made for exciting times in the mining world this week.

age price for all rough diamonds — except industrial qualities — by 13 per cent.

could be room for modest increase in the 65 cents dividend.

Against the background of already sharply rising profits the U.K. tin houses have been going ahead this week, notably Rio Tinto-Zinc and Selection Trust; both groups are due to report half-year results this month and both should make a good showing.

MINING

MINING KENNETH MARSTON

earnings. The shares at 430p yield 10 per cent on a basis of last year's total of 35p. The current year's total should be considerably higher and the interim to be declared in October could rise to 70 cents.

The increase, which is the first since a rise of 30 per cent in August last year, also takes account the fall in the value of the dollar in which currency diamonds are priced.

The higher prices will only apply to three out of the 10 "sights" (occasions when the CSO sells rough stones to selected dealers) held this year.

For a small investor who, understandably, is prepared to risk only a modest part of his

the effect of raising the aver-

Figures include low-grade material. † Not yet available. Outputs are shown in metric tonnes of tin concentrates.

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TIN OUTPUTS COMPARED

Table comparing tin outputs for various countries like Anal. of Nigeria, Ayer Hitam, Borneo, etc., with columns for July, June, and Total to date.

COMPANY PROFILE

PLESSEY RICHARD LAMBERT

PLESSEY is well placed to show a real improvement in profits over the medium to long term.

That is the view of deputy chief executive Mr. Peter Marshall, and his optimism is shared by the stock market.

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criteria for foreign nationals, as mini-names, who need show a smaller degree of wealth.

The newly elected member is required to enter into an underwriting agency agreement with a firm of underwriting agents.

What appears to have happened is that one of the syndicates received more insurance business than it was strictly allowed under the premium limit rules.

Lloyd's premium income limits work to a series of complex formulae. New members joining Lloyd's typically "show wealth" of £100,000. UK members' premium limit is twice that figure.

The premium limit rules OK

A LLOYD'S of London managing agent took the unusual step this week of calling a halt to trading on five of the underwriting syndicates under its management because of fears that premium income limits laid down under Lloyd's rules may have been breached.

LLOYD'S OF LONDON JOHN MOORE

fee and a commission on profits, arranged for the member to join a range of syndicates who underwrite on the member's behalf.

A member who has shown wealth of £100,000 to Lloyd's would lodge a basic deposit with Lloyd's of £5,000, and 10 per cent of the chosen premium limit as a premium income deposit. The deposits are invested and the member receives the income. They are available

as security for underwriting liabilities. The agent usually ensures that the member's interests are allocated to a wide range of syndicates, such as a marine syndicate, non-marine syndicate, aviation, or motor, so that he is not exposed to the peaks and troughs of any one class of business.

If there were, for example, 100 members of a non-marine syndicate each with a maximum premium limit that they could underwrite of £40,000, then the syndicate would be able to accept £4m of business. This is subject to some adjustment for the syndicate's reinsurance arrangements.

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FINANCE AND THE FAMILY

Organising a happening

BY OUR LEGAL STAFF

My grandson proposes to organise a "happening" in fields around the house, all owned by his mother. This "happening" will apparently last for some six days and attract possibly 500 of his friends, who will camp out on the land where a stage will be erected for various entertainments. In connection with this, what public liability or other risks will arise for my daughter and her son, and how should these be contained?

There may well be risks of liability for injury caused by the condition of the land or structures on or over the land. The only effective method of avoiding the risk of claims in damages is to insure. Notices stating that the visitors come on to the land entirely at their own risk and disclaiming responsibility for visitors' goods and chattels should also be displayed—but these alone cannot ensure that no liability will arise.

Interest on life policies

A number of Life companies do not agree to pay interest on capital sums payable at death but deferred, in respect of life policies and income bonds. Others do, I am told this has to do with whether they are trustees or holders. What please is your view?

The position will depend upon the contracts; but where the contract is silent there is an argument in favour of the Life company's holding as trustee (not as holder). However the view that the monies payable

Compliance with a covenant

On June 30, you referred to compliance with a covenant where a lease is concerned. What is the position with a freehold? I have been advised that the erection of a fence, although breaking a restrictive covenant, cannot be challenged if it goes unchallenged for a few years under the doctrine of laches.

A restrictive covenant affecting freeholds is enforceable just as a covenant in a lease is, provided that it has been correctly framed. Since enforcement is by the equitable remedy of injunction the covenantee will not succeed if he fails to take action promptly. This rule is akin to laches, but not quite the same, as the lapse of time may be quite short and there need not be a detriment shown by the covenantor. The true doctrine of laches would also apply, where appropriate.

Movements of a wall

The site of our property is sloping and there was strong evidence of cracking in a boundary wall when we purchased it. The wall is supporting our neighbour's side, a 12 ft. high level of earth, trees and shrubbery etc. There has been further movement of

the wall since we moved in, and the Local Authority are now threatening a Dangerous Structure Order on the wall unless it is dealt with. Do we have a recourse to our neighbours to repair the wall and do we have an obligation to retain their earth, etc. forever?

If the wall is clearly included in the property conveyed or transferred to you, you have no right of recourse against your neighbours. If however it is not clear in whose ownership the wall is there is a strong likelihood that it would be held to belong to your neighbour for whose benefit it exists. There is always the possibility that there was some mutual arrangement between your predecessor in title and the neighbouring owner when the wall was built, in which case the terms then agreed would probably still have effect.

Finding out probate value

Some unquoted shares were bequeathed to me in 1957, and for capital gains tax purposes, I am trying to find out the probate value, which the firm concerned does not seem to know. Can you suggest how I could find out? Apart from obtaining the information from the Inland Revenue or from whoever acted for the estate in the matter of agreeing the probate valuation, we know of no way to obtain this information. You

Court of protection

I am not at all happy about the way my brother, who is executor of my father's will, is managing my mother's affairs. Her doctor agrees that she is quite incapable of managing them herself, but he will not give me a letter to this effect, for fear of being sued for breach of confidence. I am told the Court of Protection deals with such cases, but what can be done unless the doctor co-operates? Also, have I any claim under the 1975 inheritance act, on my mother's estate, who I understand, has left it all to my brother, because for no apparent reason, she dislikes my husband?

It is correct that a case of this kind should be dealt with by making the subject a patient in the Court of Protection. The

may persuade the personal representatives to bespeak a copy of the Inland Revenue Affidavit from the Revenue if you cover their costs of doing so.

Interest on life policies

Approximately ten years past my neighbour whose adjoining property is a garage end with no access other than over my land had a foul drain run across this land to the main drain in the roadway, the land at that time belonging to my late father. Will you advise me what steps are necessary to ensure that I do not lose ownership of any part of the land? You should consult a solicitor. Complex questions may arise as to whether you are estopped from asserting your common law right to have the drain removed—and these will depend on the precise circumstances in which the drain came to be laid.

Borrowing as a trustee

I am one of three trustees of a society which wants to borrow £15,000 from their bank at 3 per cent above the bank rate, though I am against it. If they do borrow (and the bank has said they will lend) what do I stand if the repayments fall down? Will my personal money become involved?

We cannot tell if your east wall is yours or a party wall; your deeds may show the position, but will not necessarily do so. If the position is unclear you should assume it to be a party wall and call on the owner of the block of flats to join with you in effecting any repairs necessary, but only if and when they become absolutely necessary.

Family business disposal

I am about to retire from a private school which I own. The purchaser may not be able to raise a mortgage for the freehold and may want to take the school on a year lease. If he then bought the freehold would this qualify for the waiving of capital gains tax on the disposal of a family business, even though it was leased for a time. No; letting of the property would cause you to forfeit school's accounts will also be retirement relief on the ultimate disposal of the freehold (under section 124 of the Capital Gains Tax Act 1979). Professional guidance through the tax pitfalls is virtually essential, but presumably the accountants who prepare the looking after your tax affairs.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All enquiries will be answered by post as soon as possible.

Thatched cottage risk

A THATCHED COTTAGE in the country looks picturesque on a photograph and can be made comfortable to live in. But the owner is likely to get a shock when it comes to insuring the cottage and its contents. The majority of insurance companies are not sympathetic towards thatched buildings. They are regarded as a much higher fire risk and so higher premiums are quoted which not only reflect an additional risk but also actively discourage would-be policyholders.

then the fire damage is much less than if it is a lath and plaster construction. The stone will still be standing intact after a fire. With lath and plaster all that is left is a pile of ashes.

In an old cottage, the wiring has, of necessity, often to be run along beams and down walls. It is exposed and therefore more liable to damage.

INSURANCE

ERIC SHORT

But the insurance broking division of The Country Gentlemen's Association have specialised in arranging insurance for thatched buildings for many years, and now offer an insurance scheme tailor-made to each property, with premiums up to 40 per cent lower.

This scheme, underwritten at Lloyds' operates on an individual rating system. CGA (Insurance Brokers) send a representative to view the property before making a quotation and the coverage is countrywide. The scheme covers both insurance of the buildings and the contents and has been accepted by over 60 building societies.

The premium depends on many factors—the construction of the building being one and the state of the electric wiring being another.

If the cottage is of stone,

been reducing in size, with recent recruits to the "borrow more—pay more" concept including the Halifax and the Leeds.

BUILDING SOCIETIES

MICHAEL CASSELL

THE building societies' search for longer-term investors' funds continues to make its mark on the rates being charged to home buyers.

Not so long ago, many of the largest building societies did not discriminate, in terms of interest charged, between small and large borrowers, but the growing importance of term shares has produced a fundamental shift in lending policy.

Despite some early reluctance on the part of several major societies most have now accepted the term-share concept as a necessary element in their investment portfolio. Recent months have seen a rash of new five-year term shares offering what by any standards are attractive rates of return and which have been designed to raise the stable element of society investment funds.

But the societies say they cannot absorb the costs of such schemes and, as a result, the borrower is having to meet their cost. Slowly but surely the ranks of societies holding out and charging all borrowers the same rates of interest has

The thatched cottages are invariably situated in the country. During the winter the fields mice come into the thatch and cheerfully nibble away at the wiring.

Then the rating will depend on the method of heating. A wood fire or solid fuel heating system involves only a normal risk. A paraffin heater can be deadly and should not be used in such buildings. The condition of the roof is important and whether the building is detached, semi-detached or terraced. All these factors are taken into account in rating the property.

As a guide to premiums, the rate for a stone built thatched cottage is around 35p per cent for the buildings and 45p per cent for the contents. This con-

board may agree will be gradual.

Mr. Clarke said the Woolwich had not received any extra business for charging a uniform interest rate on all loans because his society's branch manager errs under instructions to grant new mortgages, which are limited by a limit as a priority to existing investors, first-time buyers and workers moving house for the sake of their job. Potential mortgagees asking for a big loan were given no priority.

But if nearly all the societies are of one mind about charging more for larger loans, their scale of charges remains far from uniform. Some impose higher interest rates on loans over £13,000, while others charge the recommended rate until mortgages exceed £15,000. Some charge as much as 1½ per cent over the base rate while others confine the additional loading to a ½ per cent.

The rising cost of larger building society loans will do no harm to the banks, who are now attempting to take a larger share of the home loans business. The big differential between the interest rates charged by the two sides has until now limited the banks' scope for penetrating the mortgage market but this may well become less if the banks can bear the higher borrowing costs—or no loan at all.

Self-employed retirement

If a husband and wife are partners in a business—two-thirds to one-third, and wish to invest in Retirement Pension Bonds under Section 226 of the 1970 Act, is the limitation—operated on the combined income or is it on the separate portions? If the latter then, presumably husband and wife would be eligible to invest in Retirement Bonds up to the limit imposed by Section 226.

The incomes of husband and wife are not aggregated in determining the upper limits for the self-employed retirement provisions of the 1970 Act. The wife can qualify independently on the basis of her own net

relevant earnings (that is, earned income that is not otherwise pensionable less all deductions allowed in computing personal taxes).

Unless you are in a profession where you are compelled to practice with unlimited liability we suggest that you seriously consider comparison to a limited company with your wife, and yourself as directors. You can then establish your own directors' pension plan. Since 1975 the tax treatment relating to directors' pensions has swung heavily in favour of small businesses being run as limited companies and not as partnerships.

URGENT ADVICE TO HOLDERS OF 30% TREASURY '79 AND 4 1/4% ELECTRIC '74-'79 STOCK

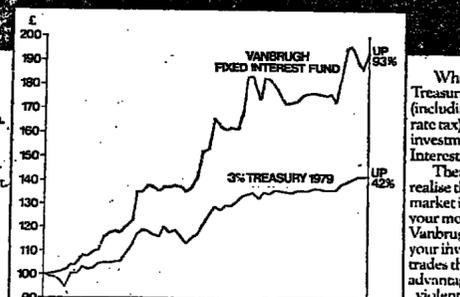
Your gilts mature this month. You probably invested at the right time and your cheque from the Bank of England will include a modest tax-free capital gain.

You are now liquid, with a decision to face on reinvesting your capital. Gilts-edged stocks have proved safe, tax-efficient and profitable in the recent past. Prospects for this market look good at the minute, and a further investment in a short-dated, low coupon stock looks like the answer to your problem.

Right?

Wrong. Things have changed over the last few years. Firstly, the recent Budget has dramatically improved your tax position. As a result you may no longer be restricted to the miserly returns available from low coupon gilts. Instead, you can now consider the wider horizons of the gilt-edged market, where the scope for investment gains is considerably greater.

In addition, it is now acknowledged that one of the least effective ways to profit from the gilt market is to buy a stock and hold it to redemption. The reason is that in recent years gilts have become astonishingly volatile, in response to the erratic behaviour of interest rates and the value of the £ overseas, not to mention the rate of inflation. To take full advantage of the gilt market it is now vital to switch actively between different stocks. The value of active management is illustrated by this graph:



Whereas a direct investment in 3% Treasury '79 has grown by only 42% (including reinvested income after basic rate tax) since September '74, an investment in the Vanbrugh Fixed Interest Fund has grown by over 90%. There's no magic involved. We realise that in today's volatile gilt market it is no longer sensible just to put your money in and leave it there. The Vanbrugh Fixed Interest Fund spreads your investment across several gilts, and trades this portfolio actively, taking full advantage of the rapid and sometimes violent fluctuations in price.

Investing in gilts through the Vanbrugh Fixed Interest Fund offers several other advantages:

- * You will benefit from the high yields currently available from gilts because of the extremely favourable tax treatment of interest—particularly following the Budget.
- * Your investment will be managed by the Prudential, the country's largest investing institution and acknowledged specialists in the gilt-edged market.
- * You are not committed to a fixed-term investment. You can leave your capital invested for as long as you wish, and take it out when you need it or when the market looks right—not when the Treasury tells you to.
- * You can withdraw a regular income within certain limits totally free of immediate personal taxation. Talk to your professional adviser, or if you would like further details cut out and send us this coupon now.

Current gross yield 12.45% p.a.

To: Vanbrugh Life Assurance Limited, 41-43 Maddox Street, London W1R 9LA. Tel: 01-499 4923.

I would like to know how the position has changed since the Budget for a gilt investor on my income tax rate. Please send me your brochure setting out the facts and figures in full.

NAME: _____

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Vanbrugh
A member of the Prudential Group

19 FT
(As at 23rd August 1979)

AN OFFER FROM M&G AMERICAN RECOVERY

The American economy remains the largest and most diverse in the world. It is the only one which still grows virtually every year. The recovery of public confidence in the American economy is a necessary condition for the recovery of the American economy. The M&G American Recovery Fund is a long-term investment and not suitable for money that you may need at short notice.

The price of units and the income from them may go down as well as up.

Prices and yields appear in the FT daily. An initial charge of 3% is included in the offer price, an annual charge of 3% plus VAT is deducted from the Fund's gross income. Distributions for income units are made on 20th June and 20th December net of basic rate tax and are reinvested in Accumulation units to increase the value of the units. The next distribution date for new investors will be 20th December, 1979. You can buy or sell units on any business day. Contracts for purchases or sales will be due on the last business day of the month. The commission payable to the M&G American Recovery Fund is 2.25% of the estimated gross current yield for income units is 2.25% at the buying price of 52.5p on 29th August 1979.

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YOUR SAVINGS AND INVESTMENTS

Small savers seem to be shying away from their traditional medium of investment

Are unit trusts dying?

UNIT TRUSTS are currently suffering one of their worst years for new investment in recent history. If present trends continue, and there is no particular reason to think they won't, the net amount of new money flowing into the unit trust movement in 1979 will be the lowest for 14 years.

The monthly figures published so far in 1979 by the Unit Trust Association have partly told this grim story; they have revealed, for instance, an unexciting sales picture, a consistently high level of repurchases, and a net outflow of funds in one month (March) for the first time in 20 years. Despite all this, commentators, perhaps rightly, have always found a silver lining in the rain clouds overhead.

A look at the accompanying table, however, demonstrates the depth of the crisis. So far this year sales of new units are running well below the rate in 1978, although admittedly they do not compare unfavourably with previous years. It is the volume of repurchases, however, which is causing most of the alarm. After only seven months this year repurchases are higher than in any full 12-month period apart from 1977 and 1978 and at the present rate these levels will be easily exceeded.

A high rate of repurchases, meanwhile, has been dragging

INVESTMENT

TIM DICKSON

One structural long-term explanation for the decline in net new unit trust investment is the increase over the last few years in the size of pension funds and insurance companies. Generous tax concessions have made pensions and life policies much more attractive than direct equity investment (through unit trusts, for example). Last year pension funds invested almost £1.5bn in ordinary shares alone—they had a spare £1.3bn in the same period to put into the UK gilt market. Insurance companies, meanwhile, had a cool £644m to sink away into equities.

This long-term trend, however, does not provide a

full explanation for the unusually poor demand this year for unit trusts.

Another important feature was the rush by unitholders earlier this year to "bed and breakfast" their units. "Bed and breakfast" takes place when individuals sell their investments one day and buy them back the next in order to establish a capital loss for tax purposes. It is highly popular at the end of a financial year.

This year a new Stock Market ruling allowing unitholders to avoid paying stamp duty on bed and breakfast operations, together with a change in capital gains tax charges, provided the impetus for many unitholders to take advantage. Ironically, the idea was actively promoted by one or two unit trust managers and it certainly had the blessing of most people in the business. The theory now is that many investors, particularly those with holdings in older unit trusts, suddenly woke up to the fact that either they had sizeable capital gains or that their units had not performed well. And while many got as far as bed, by no means everyone got up for breakfast.

This helps explain the net outflow of money in March. And some think that the publicity given to "bed and breakfasting"

at the time has since flushed out other unit-holders.

Mr. Cholmeley Messer, deputy managing director of Save and Prosper and chairman of the Unit Trust Association, would not go this far but he does feel that one reason for the high level of repurchases this year is that many older unitholders are deciding to realise part of their capital.

The spending spree in front of the general election, he feels, is also partly responsible, while the high level of interest rates has made it more attractive this year to put money on deposit or into gilts rather than into equities. UK-based unit trusts are unable to invest in gilts and debentures because gift funds have to pay corporation tax of 52 per cent.

Mr. Messer also argues that the growing influence on unit-holders of private investment advisers, particularly those who have resulted in a more volatile

UNIT TRUSTS—THE 10 YEAR PICTURE

Year	Value of funds (year-end)	Sales	Repurchases	Investment	Net	Holdings	Re-purchases
	£m	£m	£m	£m	£m	Millions	ratio %
1969	1,414.9	262.70	74.52	186.17	2.39	5.4	
1970	1,971.2	771.15	23.35	97.80	2.40	5.3	
1971	2,991.2	1,241.19	127.45	76.65	2.32	7.6	
1972	2,647.5	436.85	195.59	241.27	2.79	8.3	
1973	2,066.4	357.90	171.75	186.15	2.24	7.0	
1974	1,310.8	194.87	110.17	84.70	2.20	6.5	
1975	2,572.4	321.21	130.90	190.31	2.20	6.2	
1976	2,543.0	333.40	165.88	167.52	2.12	6.3	
1977	3,461.3	372.32	257.90	114.42	1.99	8.4	
1978	3,873.4	529.48	294.08	235.40	1.95	7.9	
1979 (7 mths.)	4,204.3†	266.1†	230.28	35.83	1.89†	9.4	

† Average for seven months.

Not (yet) feeling the pinch

With interest rates at near record levels and the banking system straining within the banking "corset," the individual faces one of the toughest credit squeezes ever. But you would never know it by talking to the high street banks.

Bankers admit that it is now more difficult to get an overdraft than it was a year ago and talk about "tightening up" on personal lending—but when asked to be specific they simply smile and politely change the subject. What is clear is that overdrafts are not being called in and the banks are still lending money. So what is all the fuss about?

The banks' problem is that they were warned by the Bank of England some 18 months ago to "exercise strict restraint" on lending to private individuals but since then little has happened. In the year to May 1978 London "clearing bank advances to persons" was growing at an annual rate of 21.6 per cent. A year later the growth rate had accelerated to 24.1 per cent. So much for "strict restraint."

The banks fear that if they let it be known they are turning away potential customers they might lose them forever. On the other hand they are also well aware that the Bank of England is not at all happy with the way they have let their personal lending explode at a time of official restraint.

The first thing that the banks can do is squeeze out the marginal borrower. Either they no longer get a loan, or if he or she does get a loan it will be less than otherwise would have been the case. As very few people have much of an idea of the criterion on which a bank grants a loan, the bank has plenty of scope for cutting back this type of lending without annoying anybody. Unlike the building societies, there are no embarrassing queues of would-be borrowers.

However, the so-called marginal borrower is not the only one to suffer from the present credit squeeze. Customers will

find that the banks are no longer so keen to offer them overdraft facilities. Five years ago the overdraft was the main way that the personal customer borrowed money from a bank and a very good service it was too.

It was highly flexible, a borrower only paid interest on the daily outstanding balance and it was generally cheaper than the personal loan. But over the last few years the banks have switched more and more of their lending (they refuse to say how much) onto a structured personal loan basis with a fixed schedule of repayments.

The general criterion is that overdrafts are available for "temporary" borrowing—say, three months—but if a customer wants to buy a new car or a hi-fi set the bank manager will try to push a personal loan. Indeed the banks have become so obsessed with personal loans in recent years that they now believe the customer likes them better than the overdraft.

This is one of those myths which needs demolishing before

it becomes part of the accepted wisdom. It is the bank rather than the customer that benefits primarily from the personal loan. Banks like to know how much money customers are going to borrow, especially during the current credit squeeze. Hence large personal overdraft facilities are often an embarrassment because customers tend to use them more just when the bank is trying to cut back its lending. They prefer personal loans with a fixed repayment schedule.

With a fixed sum falling due each week it is very easy for a bank to control its future lending—it can turn it on and off with the minimum of trouble. Not so with the overdraft. Finally, personal loans tend to be more profitable and less risky than the conventional personal overdrafts.

Next time you ask your bank manager for some money ask for an overdraft and see what happens. It will be nowhere near as easy to come by as it was 10 years ago.

WILLIAM HALL

Neck and neck again

THE battle between banks, building societies and the Government to provide the best temporary home for your savings enters a new stage today.

From September 1 money deposited in the National Savings Bank investment account will attract interest of 12½ per cent per annum paid gross, half a per cent more than previously and equivalent to 8.75 per cent for a basic rate taxpayer. This new return is identical to the building society recommended ordinary share rate (which, of course, is only paid net), and a full one per cent better than most of the clearing banks. Barclays is out on its own offering 12 per cent.

Anyone rushing to take advantage of the National Savings movement's latest interest rate increase should remember that

interest on the investment account does not start to accrue until the start of the month following deposit. It would therefore be wise to wait until nearer October 1 before making any major transfers.

The new investment account rate brings more sharply into focus the choice facing many holders of British Savings Bonds. From time to time holders of maturing bonds are given the chance to convert into the most recent Savings Bond, currently the 9½ per cent British Savings Bond. At the moment some of those who took out Savings Bonds in 1974 have to decide. The answer is that they should take the cash while interest rates are high—they can always go back into British Savings Bonds if the cost of money begins to fall.

Beware the impertinent broker

COMMISSION may be bread and butter to stockbrokers but to investors it sometimes seems like icing on the cake.

Such at any rate, is the impression gained from the recent experiences of a North Country reader who decided to buy and sell (through a small North Country stockbroker) £50,000 worth of local authority yearling bonds. This is a relatively straightforward operation and the advantages for this particular investor, a high taxpayer, were clearcut. By buying the bonds, holding them for a few months and then selling them before they went ex-dividend (in other words passing on the rights to the income payment) he was effectively turning income into capital gain, thereby limiting his tax liability.

Unfortunately, things weren't that simple. Unlike deals in ordinary shares, where the maximum charges are laid down by the Stock Exchange and are enforceable in law, the commission on this type of transaction is discretionary—the fee is fixed by arrangement between broker and client. A quick survey of leading London brokers and a word with the Stock Exchange itself established that the going rate for this size of transaction would be anything between £30 and £50. One firm with a strong private client base quoted £1 per £1,000.

These estimates, needless to say, are somewhat at odds with the near £500 shown in our illustration. This figure comprises two roughly equal separate charges for the two parts of the deal.

In mitigation the senior partner of the firm in question says that about £100 of the £500 consisted of interest costs (the firm's money had to be handed over to the local authority before the client's cash arrived) and the agent's introduction fee.

Instrument	Quantity	Price	Value	Commission	Total
Local Authority Bonds	500	100.00	50,000.00	500.00	50,500.00
Local Authority Bonds	500	100.00	50,000.00	500.00	50,500.00
Total	1,000	100.00	100,000.00	1,000.00	101,000.00

He did acknowledge however that his firm was "out of line" with the competition and admitted that it had now introduced a new sliding scale of charges for large deals of this nature. The larger the amount the smaller the fee in percent age terms. A large proportion of the original commission, meanwhile, has been returned to the offended client.

A couple of observations must

nevertheless be made. First of all, the agent, a well known firm of accountants who handled the correspondence and was therefore aware of the size of the commission, should have realised that better rates were available elsewhere. Second, other investors, admittedly less frugal perhaps, have apparently used this firm and not complained—it is therefore not sufficient to say that people will

A term of affection . . .

WITH THE advent of unit linked policies and other sophisticated savings plans, term insurance these days is often taken for granted.

Term insurance is one of the oldest types of life cover and generally forms a part of more complicated insurance packages. On its own, however, the big drawback is that it provides protection only in the event of a policyholder's death. Unlike an endowment policy which guarantees a lump sum payment at the end, term insurance premiums are lost for ever—assuming you survive the term.

Nevertheless Equitable Life's recent announcement of improved rates is a reminder that this basic cover is both remarkably cheap and in certain circumstances entirely appropriate. This is particularly so for young married people who have a large outstanding financial liability.

Term insurance can, for instance, be used to provide extra protection for the family, particularly if you feel that the life cover from your pension is inadequate.

On the birth of a baby, for example, it might be wise to take out term cover for 20 years, the period when the child is likely to be dependent on its parents. A variation here is a

reducing term policy—in this case the amount of cover reduces as the term proceeds. Mortgage protection is a popular use for term cover. An additional premium on top of a standard endowment policy will ensure that a householder's wife and family is not left homeless if the breadwinner dies.

LIFE INSURANCE

TIM DICKSON

But other arrangements may well require some form of supplementary cover. For instance, take somebody who tries to pay off a £10,000 mortgage by relying on a with-profits policy, say for £3,000, instead of an endowment policy for the whole amount. Term insurance can be arranged in such a way that as the profits build up the cover reduces.

Those who opt to pay by the straight repayment method are also well advised to take out decreasing term cover.

Furthermore, term insurance can be a useful device to ensure the smooth transition of a gift from parent to child. To avoid paying more than the minimum in CTT the handover has to take place at least three years before the death of the donor. The best laid plans, however,

can always go astray and, especially in the case of a large sum of money it could be well worth providing for what could be quite a large extra tax liability.

The accompanying tables compiled by the magazine Planned Savings give examples of the best current buys in the market for ordinary level term policies. It is worth bearing in mind that there are policies specially approved for the self-employed and those in non-pecuniary employment. These are particularly good value because the premiums, like pension contributions, qualify for tax relief at the holder's highest rate of income tax.

BEST TERM RATES

Annual premiums (monthly premium in brackets) for male aged 30 next birthday, 5 year term.	Sum Insured £10,000	Sum Insured £100,000
Equitable Life	11.40 (1.20)	77.70 (6.75)
London Life	12.00 (2.00)	84.00 (7.28)
Lloyds	12.20 (—)	85.00 (7.40)
Economic Insurance City of Westminster	13.50 (2.00)	87.00 (7.50)
Net. Provident	13.20 (1.31)	87.30 (7.50)

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Please help—Send a donation today to: Room F4, The Multiple Sclerosis Society of G.B. and N.I., 4 Teakbrook Street, London SW1 1SJ.

UNIT TRUST INSURANCE OFFERS

Company	Page
Vanbrugh Life Assurance Limited	6
M & G Group Limited	6
Gartmore Fund Managers Limited	19
Liberty Life Assurance Co. Limited	19



Mr. Cholmeley Messer

pattern of unit trust sales and repurchases. Sophisticated advisers are telling their clients to take advantage of high interest rates while the going is good.

While Mr. Messer is not unduly perturbed by the numbers currently defecting from the unit trust movement, he admits to being somewhat disappointed by the level of new deposits. He is nonetheless an optimist and firmly believes that Mrs. Thatcher's fiscal revolution will turn the tide.

NEW BBB'S LINKPLAN

A High Yield Insurance-Linked investment with big tax relief benefits.

Linkplan is a 10-year savings scheme in the form of a life assurance policy issued by EAGLE STAR INSURANCE CO. Ltd. linked to a special investment account with BRADFORD & BINGLEY BUILDING SOCIETY.

It gives you all these benefits:

- A high return on your savings with complete safety.
- Life assurance cover provided by Eagle Star.
- Income tax relief.
- It is easy to open and operate.
- You can save monthly with Eagle Star - or deposit a lump sum into BBB'S "High Yield Linkplan".
- You can cash in a Linkplan account whenever you like.
- Linkplan Policy Returns are free of basic-rate tax after 4 years and of all tax after 7½ years.
- A Guaranteed Maturity Bonus after 10 years, based on the amount you decide to save.

How the Scheme Works

—You pay a monthly premium to Eagle Star.
—Eagle Star claim tax relief (currently 17½%) from the Inland Revenue and add it to your premium - boosting your total savings.
—A proportion of the total is invested by Eagle Star in a special account with BBB'S - the remainder pays for life assurance and administration.
—This account earns interest at a rate (which is variable) linked to Building Society rates and this interest builds up the value of your policy.
—Your life assurance cover will be 100 times your gross monthly premium.
—If the accumulated value of your investment is higher, that will be the amount of cover.

An Example - from First to Last*

	Age next birthday at entry (men)		
	17-40	41-50	51-55
Net Monthly Premium	£ 10.00	£ 10.00	£ 10.00
Tax Relief (at 17½%)	2.12	2.12	2.12
Gross Monthly Premium	12.12	12.12	12.12
To cover Life Assurance & Administration costs	0.73	0.97	1.21
Amount invested with BBB'S	11.39	11.15	10.91
= 94% of Gross Premium		= 92% of Gross Premium	= 90% of Gross Premium
Total Net Cost to Investor over 10 years	1200.00	1200.00	1200.00
Maturity Value* including Guaranteed Bonus	2071.00	2028.00	1985.00
Tax Free Gain after 10 years	871.00	828.00	785.00
Minimum Life Cover	1212.00	1212.00	1212.00

Your Tax-Free Gain after 10 years*

Net Monthly Premium	GAIN, where age next birthday is: (men)		
	17-40	41-50	51-55
£ 10	871	828	785
25	2179	2071	1962
50	4359	4143	3926
75	6539	6214	5889
100	8702	8287	7854

* Any U.K. resident who is acceptable for life assurance purposes and is aged over 16 and under 55 (59 for women) is eligible. The minimum investment is £10 monthly but THERE IS NO MAXIMUM. However, you are not eligible for the 17½% premium relief on more than 1/6th of your total taxable income of £1500, whichever is the greater in any one year.
The proportion invested in the special BBB'S account varies with age.

HIGH YIELD LINKPLAN

High Yield Linkplan gives you all the benefits of Linkplan from a LUMP SUM INVESTMENT.

Just deposit a lump sum representing at least 5 years Linkplan premiums into a Special Linkshare Account and the Society will automatically transfer the premium each month to the Linkplan scheme. The minimum investment is £600 and the maximum is £15,000 or £30,000 for Husband and Wife only. The Linkshare Account will attract interest at the Paid-up Share rate which is variable. IN ADDITION, a GUARANTEED BONUS of 1% p.a. will be added at the end of 5 and 10 years.

At the end of 5 years you may deposit a further lump sum to cover the second 5 years premiums or close the Linkshare Account and either surrender the policy or pay the premiums from another source.

Examples of your Returns* (For a man aged 17-40)

Amount Invested in Linkshare Account	Monthly net premium to Linkplan	Total Return after 5 years	Further Investment after 5 years	Total Return after 10 years	Minimum Life Cover
£ 1200	20	£ 2054	£ 1200	£ 5170	£ 2424
2400	40	4108	2400	10340	4849
3000	50	5135	3000	12925	6061
4200	70	7189	4200	18095	8485
6000	100	10270	6000	25850	12121

The return after five years is equivalent to a yield of 11.35% net p.a. equivalent to 16.21% gross p.a. if you pay tax at the basic rate of 30%. The ten year yields are 10.33% net p.a. and 14.76% gross. These returns are for a man aged 17-40 and assume that current rates of interest continue.

Higher rate taxpayers

The returns on both Linkplan and High Yield Linkplan are very attractive to higher rate taxpayers. If you surrender a policy between 4 and 7½ years there will be a liability for some additional tax. After 7½ years, policy returns are completely FREE OF ALL TAX. Interest on the lump sum element of High Yield Linkplan is liable to additional tax, but the returns remain exceptional. Ask for our special taxpayers cards.

N.B.* The returns quoted are variable and linked to Building Society rates. They assume that current rates continue and that tax is paid at the basic rate of 30%.
This offer is not open to residents of the Republic of Ireland.

How to apply for Linkplan

Opening a Linkplan account is simplicity itself. Just call in at your local BBB'S Office where you will receive all the help and advice you need. There are over 500 Branches and Agencies throughout the country. Most are open from 9 a.m. to 5 p.m. Monday to Friday, and 9 a.m. to 12 noon on Saturday. The address of your local branch is in the telephone book. For further information complete the coupon and post today.

Bradford & Bingley Building Society P.O. Box 2, Bingley, West Yorkshire, BD16 2LW
Eagle Star Insurance Co. Ltd., 9 Aldgate High Street, London EC3N 1LD

FREEPOST TO BRADFORD & BINGLEY BUILDING SOCIETY, FREEPOST, BINGLEY, WEST YORKSHIRE BD16 1BR.

NO STAMP NEEDED

I would like further information on Linkplan/High Yield Linkplan. Please send me leaflets and a Proposal Form.

Name

Address

Post code

Age

Sex

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LIBYAN ARAB AIRLINES



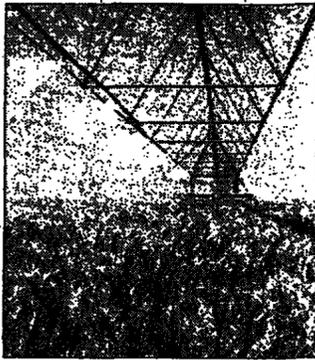
In step with the JAMAHIRIYA*

Islam, the underlying strength

The Jamahiriya is a new and revolutionary nation. As such it requires strength and certainty, and a tradition from which these can be drawn. Islam supplies, and has always supplied, this tradition. Islam, moreover, is rooted in the statutes of the Jamahiriya itself.

Colonel Mu'ammr Al Qadhafi in the Green Book, confirms the overriding importance of Islam in the Jamahiriya when he says: 'Religion, embracing tradition, is the affirmation of the natural law.'

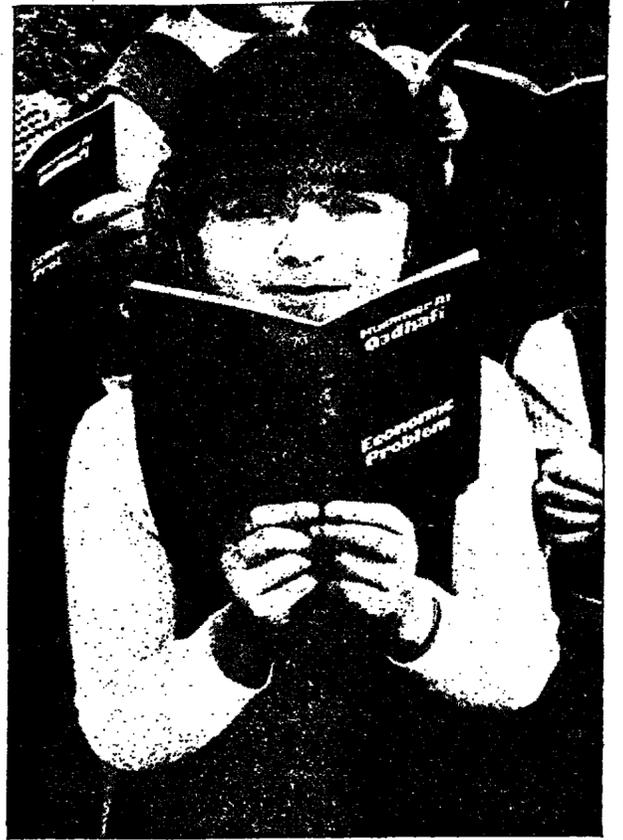
The progress of the Jamahiriya is living proof that deep religious belief can go hand in hand with a policy of revolutionary change and political and economic development.



At the root of progress. The land

In the Jamahiriya, agriculture is the hinge on which all economic and social development turns. Figures speak for themselves: in 1975, for instance, the allocation for agriculture was nearly fourteen times as much as in 1969—the year of the Revolution.

Today, the objectives of what has been called the 'Green Revolution' are being achieved according to schedule. By 1983 more than one and a half million acres of once-barren desert will have been reclaimed for agricultural use. And already, by 1980 the Jamahiriya will be virtually self-sufficient in food.



The Spirit of the Jamahiriya

The Jamahiriya is a young nation with a young leader, and due to an accelerating birthrate, a high proportion of its population is under thirty.

While religion and tradition remain vigorously alive, the Jamahiriya, with its accent on youth, is predominantly forward-looking—and as a result—air-minded.

Libyan Arab Airlines benefits from this keen and youthful spirit, observable in the cabin crew, on the flight deck and among staff on the ground.

The principles of the Jamahiriya are not only memorised but lived. For the air traveller this comes out in the shape of extra consideration, helpfulness and attention to the task in hand.

When you step aboard one of our aircraft you are entering a country that takes off every day for a fresh and untrammelled future.



Pillars of the Jamahiriya

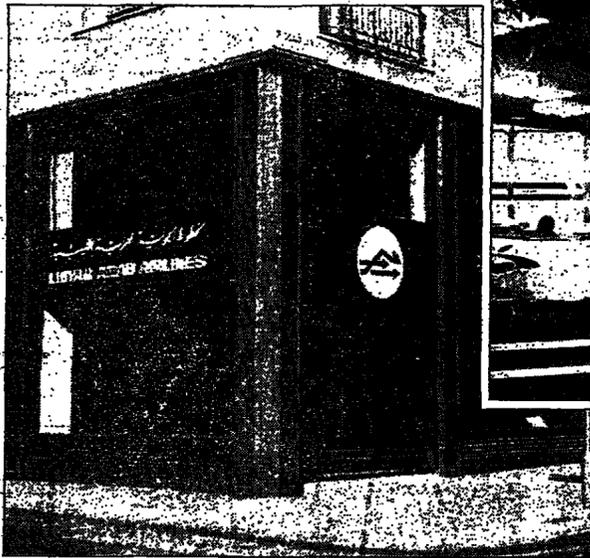
In terms of the progress of the individual in society, two precepts of the Green Book are noteworthy. The ownership of 'basic needs' such as food, clothing, transport and housing is to be guaranteed. And just as there is to be provision for the material, so too, for the political. The voice of the individual in the transactions of government is heard through peoples' committees and the Basic Peoples' Congress.

In the Jamahiriya, a clear concept of political and economic theory has emerged, and it permeates the entire people.

In 1980 the Boeing 747

Progress at its most dramatic is demonstrated by the development and continuous expansion of the national air carrier—Libyan Arab Airlines. This too is in line with the progress of the Revolution. Since 1970, international passenger traffic through Tripoli and Benghazi, has shown an eight-fold increase. The rise of communications is a dynamic example of the way in which the Jamahiriya, in the technological field, has thrown off the static non-revolutionary past.

Now it is ready for the next important step. Early in 1980, Libyan Arab Airlines will be taking delivery of its new Boeing 747 fleet—three aircraft in all—which will, at a stroke, effectively double the size of the airline.



For the convenience of present and future travellers, here is a list of our main offices with addresses and telephone numbers.

ATHENS—Libyan Arab Airlines, 3 Metropoleous Str., Constitution Square 3244723-3244743. Reservations 3244816/17/18/19

BEIRUT—Middle East Airlines, Air Liban, Rafiq Beyrouz Centre, Clemenceau Street—340340. Reservations 274330-292220

BELGRADE—Libyan Arab Airlines, Buf Revolucije, 69 Hotel Metropol, 1st Floor, Room No. 115, 116—341-198.

BENGHAZI—Libyan Arab Airlines, Gamal Abdul Nasser Str. P.O. B.360—92011/12/13.

FRANKFURT—Libyan Arab Airlines, Munchen Strasse 8—233898-233998.

GENEVA—Libyan Arab Airlines, 44 Rue de Lausanne—310050 310056/7/8/9.

ISTANBUL—Libyan Arab Airlines, Hilton Hotel Arcade, Cumhuriyet Cad., Harbiye—464458-464459. Reservations 467050/Ext 660

LONDON—Libyan Arab Airlines, 88 Piccadilly, W1V 9HD—01-499 1016/9. Ticketing and Sales—01-499 0381/5. Reservations—01-370 5411.

MALTA—Libyan Arab Airlines, Flat 1, Valetta Buildings, South Street, Valetta—24767/22735. Sales Office 27571/75/79.

MOSCOW—Aeroflot (Soviet Airlines), 4 Frunzenskaya, Nabuezhnaya—245-38-77.

PARIS—Libyan Arab Airlines, 60 Champs Elysee, 2nd Floor, Room 211—2553300, 2563301.

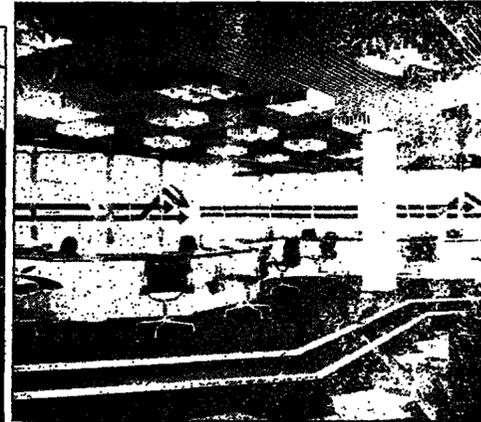
ROME—Libyan Arab Airlines, 34 Via Barbentini—4757941/3.

SOFIA—Balkan (Bulgarian Airlines), International Services, Sofia 12N, Narodno, Sorbante Square—884193/0884433.

TRIPOLI—Libyan Arab Airlines, Haili Street, P.O.B. 2555—36021/29. Reservations 44206-9

WARSAW—No. 8 59, 17 Stycznia St.—00-906—Sales Office, 9 Wamyszewo St. see—Warsaw 953

ZURICH—Libyan Arab Airlines, Talacher 21, 8001 Zurich—211709, 211012, 211013. Reservations 2111539



At the beginning of 1978, the airline opened new offices in London at 88 Piccadilly, overlooking Green Park. This was part of a planned expansion of offices right across Europe and other parts of the system.



انخطوط اجوية العربية الليبية
LIBYAN ARAB AIRLINES

* Socialist People's Libyan Arab Jamahiriya

هكذا ان الاصل

LEISURE

Cities for the winter

IF YOU CAN only spare a few days, it is during the autumn and winter months that the cities of Europe are at their liveliest with theatres, concerts and exhibitions in the major art galleries in full swing. Catering for those who always prefer to go off on their own, the ferry operators, including Sealink and Townsend Thoresen, offer discount rates for short trips abroad, with rates varying, as always, with the number of people travelling together in the same car. Incidentally, if you are driving some distance down to Dover or arrive back there late in the evening, I can certainly recommend The Dover Hotel, only minutes away from Eastern Docks, as a pleasant overnight base. Room rates from October 1 are £22 for a double and £17 for a single. Family rooms,



Part of the Tanners' Quarter in Strasbourg old town

operates throughout the year. These weekends or longer stays are available from October to April. Irrespective of the time of year, Amsterdam remains one of my own favourite European capitals. Even during the dull days of winter those lovely patrician mansions and the great warehouses lining the banks of the canals have a fascination all their own. I am sure, too, that even the strictly non-culture vulture will find a visit to the magnificent contemporary building housing a breathtaking collection of Van Gogh's masterpieces a rich and rewarding experience.

TRAVEL

PAUL MARTIN

sleeping three or four, are also available at £24 and £26 respectively.

While your local travel agent can advise you about inclusive packages to the major European capitals, it is worth remembering that some companies specialise in one country. CIT, for instance, offers the widest range of Italian city holidays with weekends, including return flights and a three-night stay in Florence, from around £80 on a bed-and-breakfast basis.

If you feel like breaking new ground and, even for a weekend, becoming a traveller rather than a tourist, several tour operators have linked up with Icelandair to arrange three-night stays in the clear, unpolluted air of Reykjavik, the world's most northerly capital.

With departures from both Glasgow and London, inclusive of £88 and £98 respectively, cover return flights, transfers and three nights at the very central Hotel Loftfiedr where all rooms have private facilities on a bed-and-breakfast basis. Use of both the swimming-pool and sauna is free and a wide range of excursions

The glass-roofed, heated sightseeing boats operate canal tours throughout the year. Then, too, there are the concerts at the Concertgebouw. And, even during a short week-end, find time to sample a rijsttafel, that Indonesian culinary masterpiece, which is both a delight to the eye and a pleasurable palate excitement.

I returned there recently with Time Off. You choose your own departure date with a wide range of alternative transport and routes available. The minimum winter rate, including return flights by BIA from Southampton and providing two nights bed-and-breakfast in Amsterdam, is £66.70.

My own flight was on British Caledonian's scheduled Gatwick-Amsterdam service and, as well as featuring Amsterdam, Blue Sky, B. CAL's associate company, covers several major European cities.

I am never happier than when at sea and, if you sail with DFDS Seaways from Harwich or Newcastle to Esbjerg, the overnight crossing on their luxury car ferries makes a splendid prelude to a short break. Whether you take your own car over or continue your journey by train, DFDS run Denmark

Samplers to seven different centres. I spent a very full day in Aarhus, Jutland's biggest town and the country's second city. The centre is compact and you can easily get your bearings by using the green copper spire of St. Clement's cathedral as a landmark. While many places have collections of old farm buildings and country dwellings, Aarhus's "Old Town" concentrates on urban dwellings from the past and is very central.

An inclusive price of £46, operative from November 1 until March 31, covers the return ferry crossing with accommodation in a four-berth cabin, the return train journey Esbjerg-Aarhus and one night spent at the Hotel Ritz with breakfast and dinner included. The cost for a two-night stay during the same period is £59.

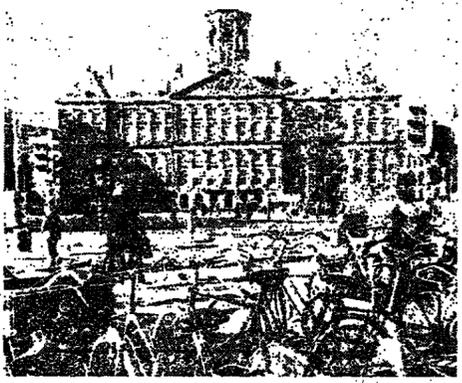
Finally, Strasbourg, with its great cathedral and the heart of the old city concentrated around Petite France, has been very much in the news following the summer elections to the European Parliament. Romanic holidays, linked to DanAir's scheduled services, are running a series of weekend departures leaving Gatwick for Strasbourg on Fridays and returning on Sundays. Available from October 1 until March 31 and

quoted at £97, they include the return Gatwick-Strasbourg flights, transfers to and from the Holiday Inn and two nights bed-and-breakfast. These special Strasbourg weekends include full Alsace breakfasts and a welcoming drink on arrival.

I have deliberately included some of the perhaps less obvious cities of Europe with just a handful of suggestions for spending that off-season break, whether for a weekend or longer, once the summer visitors have left and the cities of Europe belong once again to the residents.

ADDRESSES: Blue Sky Holidays Ltd., Blue Sky House, London Road, East Grinstead, Sussex RH19 1HU. CIT England Ltd., 256 High Street, Croydon, C9 1LL. The Dover Motel, Whitfield, Dover, Kent CT16 3LF. DFDS Danish Seaways, Marine House, Peeps Street, London EC4N 4BX.

Iceland Tourist Information Bureau, 73 Grosvenor Street, London W1. Romantic DanAir, 24/25 New Broad Street, London EC2M 1NH. Sealink Travel Services, Inclusive Tours Section, Victoria Station, London SW1V 1JX. Time Off Ltd., 2a Chester Mews, Chester Street, London SW1X 7BQ. Townsend Thoresen, 127 Regent Street, London W1R 8LB.



The Royal Palace, Amsterdam

Long, lean and shapely for Autumn

IF THE picture on the right reminds me of anything it is of the Rita Hayworth look of the forties. Yet it is as up-to-date as today's newspaper. This particular group of clothes summarises very accurately the look that most of the top designers have produced for this autumn. As you can see it's quite demanding on the figure. Slim hips, waists and thighs are the essentials for really looking good.

This particular collection of clothes that so accurately portrays the winter look of 1979 is by Wendy Dagworthy and is part of a collection, all made from British wool fabrics, that toured Britain's agricultural shows this summer.

On the left is a waisted jacket in black and white hounds' tooth wool for £73. The black wool skirt is £46 (also available in petrol blue, hounds' tooth and red). On the right is a three-quarter length coat (many designers have opted for these), also in black and white hounds' tooth check (£80), worn with the same black skirt.

Stockists include Taylor and Hadow, 36, Beauchamp Place, London, SW3, Wallis of Knightsbridge, Howie of 138, Longacre, London, WC2, Rosie of Leicester and Clangers of Wolverhampton.



FASHION

LUCIA VAN DER POST

THIS week I did something I never recall having ever done before. I went out in August and bought myself some winter clothes. I bought myself a suit with a nice straight skirt and lovely cardigan-shaped belted jacket and some three-quarter length cardigans. This may not sound a very earth-shattering happening but I think it is indicative of something—come the first hint of autumnal chill in the air all those full, wide skirts, those layered outfits of years gone past are going to look as enticing as yesterday's left-over stew. I had, obviously, begun to feel uneasy with what hung on the rails in my wardrobe and felt that I would need at least one outfit that had the spanking, new fresh look of 1979. The things to look out for if that is how you feel is a more definitely more shapely look. Shoulders are broader, even if you like, exaggerated and they definitely make the hips look slimmer in contrast—they provide the balance the silhouette needs. Waists are back with a

vengeance (oh, the damage done by those years of waists hidden beneath minis and layers) and are strongly defined, with broadish belts on skirts, jackets, even cardigans.

Though the outline definitely needs slim skirts many designers and manufacturers have been very clever with their cutting and small slits at the side or wrap-over effects or clever bits of darting can help to flatter those who are not as slim as they would like. So don't give up without a try—look for the skirts that have a slim effect without necessarily being absolutely straight or tight.

There is quite an emphasis on asymmetrical fastenings on coats, suits and dresses which seaming which emphasises the shape. Though many of the designer labels in the shops now are astronomically expensive those who are slim and hard-up (I know they don't always go together but it's easier if they do) can achieve the outline relatively inexpensively—the cheaper chains like Dorothy Perkins and Etam have slim skirts which are very nicely made for prices as low as £10. Add a wide belt, a three-quarter or seven-eighths coat and you've got the outline for not too large an outlay. The overall thing to keep in mind is that the outline should be narrow.



One of the hallmarks of 1979 is the seven-eighths coat and the Wallis shorts with three tops exposed. If this worries you in winter, scatter a little straw over them or protect with fine mesh plastic netting.

coat is £95 from London branches of Wallis shops.

The line underneath the coat should be as lean as possible and here the model wears a skirt and matching jumper in lambswool and angora. In fuchsia, grey or petrol the skirt is £13.95, the jumper £13.95, from all branches of Wallis shops.

As you can see from the photograph, small hats are very much still part of the fashion scene as fashion magazines and photographers would have us see it (I have as yet met only one person wearing a hat at a party) though I'm slightly dubious as to how frequently they are being worn in everyday life.

Colours are quite different this year, too—there's lots of black and red, purple, grape and fuchsia. The look is sophisticated, elegant and glamorous.

To complement the look you need much more definition in the face. Estee Lauder's new collection of make-up, Le Grand Cafe, conveys the right blend of confident, bright colour and subtle toning effects. The very name, with its evocative overtones of sophisticated cafe society, of elegance and a Belle Epoque theatricality suits the look up well. Look out for the rich, true lipsticks and matching colours for nails.

TRAVEL

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NOTICE IS HEREBY GIVEN that the Register of the above-mentioned Debenture Stock will be Closed for Transfer and Registration from 17th to 28th September, 1979, both days inclusive.

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10% Debenture Stock 1988-91
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By Order of the Board
H. J. MCKURK, Secretary.
48 Palmerston Place, Edinburgh EH12 5BR, 1st September, 1979.

Colour from South Africa

FROM AUGUST to December five south African plants provide much of the colour in my garden. The cast in order of appearance is agapanthus, crinum, amaryllis, nerine and schizostylis, and I would not like to be without any of them.

Being South African it is to be expected that they would be a little tender, but the years are making me realise that one, nerine, the only kind I would recommend for widespread planting outdoors, is just about as tough as any bulb I know. It survived last winter completely unscathed and I know of one fine bed of it high up in the Peak district where snow often lies late in spring. This is *Nerine bowdenii* and the one thing it must have is sunshine and warmth in summer to ripen its bulbs. In fact, they are so dependent on it that they like to grow half exposed. Without sunshine they will grow but not flower, with it they can be among the most free-flowering plants in the garden, each bulb producing a stiff stem terminated by a cluster of rose pink flowers so glistening in

texture that this has been called the Diamond Lily.

There are various forms of *Nerine bowdenii*, one named Fenwick's variety, and another, Mansell's Variety with extra long stems and larger flower clusters, and also a pure white form, but all these are scarce and difficult to buy and the species itself is so good that there is little need to bother about anything better. Indeed, I think that the species flowers more freely than the larger forms which is not uncommon since plants have a way of paying one out for increasing their flower size by producing fewer of them.

There is only one wild agapanthus that I know to be reliably hardy in most parts of Britain and that is *Agapanthus campanulatus*. Probably most gardeners only know it as a parent of the so-called Headbourne Hybrids which are rapidly spreading the popularity of these African Lilies for outdoor planting. I say "so-called" because I have never been very sure to what degree the late Hon. Louis Palmer, who created them, was actually making con-

trolled crosses between different species or simply growing a collection of species and hoping that wind or insects would do the hybridisation for him. Comparing the Headbourne Hybrids with the plants of *Agapanthus campanulatus* grown from South African seed I can see little difference between them, both species and hybrids showing a good deal of variation, some deeper blue or violet, some with longer or shorter stems than average.

A few of the hybrids have been given distinguishing names and an even smaller number have received awards after trial at Wisley but it is difficult to buy them and since all forms of *Agapanthus campanulatus* and the Headbourne Hybrids are beautiful I am content to take what is available. All will flower the first year but will take a further year or so to settle in fully and display their full quality. Thereafter they can be left undisturbed for years.

The big African Lily, *Agapanthus africanus* (or *A. umbellatus* if your nurseryman is a bit old-fashioned) is not as hardy as *A. campanulatus* partly

because it retains its strap shaped leaves all winter instead of allowing them to die down sensibly in the autumn. Apart from that, it is a magnificent plant quite safe outdoors in most southern and western maritime gardens and also in sunny town and patio gardens. It is a very admirable tub plant and can then be carried into a

GARDENING

ARTHUR HELLYER

sheltered place for the winter and put outside again in May. *Crinum Powellii*, the kind most commonly seen in Britain, will survive quite a lot of frost and came through last winter a little scarred but quite ready to produce a fine display of its large pink trumpet flowers. It is a hybrid between *Crinum bulbisperrum* (your old-fashioned nurseryman will call it *C. capense* which is a nicer name) and *C. moorei* and is probably a little harder than either of them but the pure white flowered form of *C. bulbisperrum*, in flower with me now, is so lovely that I

would recommend anyone with a warm sunny spot to give it a trial. As with nerine, plant crinum bulbs with three tops exposed. If this worries you in winter, scatter a little straw over them or protect with fine mesh plastic netting.

Amaryllis belladonna, called the Jersey Lily because it thrives so abundantly in that sunny island, is probably the most tender of the five though I have never seen its bulbs injured by frost. The leaves quite frequently are but they recover quickly and it does not seem to affect the production of the rose and white, heavily scented flowers. It is just as dependent as the others on sun and warmth to ripen its bulbs and it will put up with any amount of drought in summer when it is completely dormant. The flowers come before the leaves in late August and early September, three or four big flared trumpets on each stout stem. There are several varieties, some all pink at least one pure white but again the unimproved species is so good and so much easier to buy that you need look for nothing better. Plant it either just before or immediately after flowering with the tops of the bulbs just showing as you would plant hyacinths in a bowl. Give

them the warmest, sunniest spot in the garden and leave them undisturbed for many years. They will reward you richly.

Schizostylis coccinea brings the display to a close and can still be in flower at Christmas. It is called the Kafir Lily though it looks nothing like a Lily but much more resembles a small and slender gladiolus. The normal colour is scarlet but there are also several pink forms, one named Mrs. Hegarty of such inferior constitution that it has almost disappeared. Its place has been taken by Viscountess Byng which is often labelled Mrs. Hegarty, is superbly vigorous and has beautiful satin-pink flowers. Another variety, named Major, has extra large scarlet flowers but does not produce so many of them, another example of not being able to win all along the line with plants.

Schizostylis also likes sunshine and warmth but it detests being dried out severely in spring and early summer and the dry year, 1976, almost exterminated it in my garden. Before that it had become almost a weed, spreading a good deal further than I had intended, but its couch-like rhizomes are not far down and are easy to fork out.

GOLF

BEN WRIGHT

Favourite courses

IN 25 YEARS of following the fortunes and otherwise of the nomads of golf I have never been on better courses in consecutive weeks than Portmarnock for the Carrolls Irish Open last week and now the National Golf Club here for the Canadian PGA championship, sponsored by Labatts Brewery. To put the icing on the cake the European Open will be played at wonderful Turnberry next week on the eve of the Ryder Cup match to be played at The Greenbrier in West Virginia, reports of whose design by Jack Nicklaus are very favourable. It all adds up to a marvellous month.

Designed by George Fazio, whose magnificent work has been praised before in these columns, and his nephew Tommy in 1973, it is only 6,975 yards long with a par of 71, set in lovely, rolling hills on the outskirts of the city. In keeping with Fazio's recurrent practice the course becomes ever more demanding as the round progresses. Seven lakes come into play, and creaks run the entire length of the 581-yard fourth and 503-yard 12th holes. Water

comes into play very close to the greens at the homeward par 3s, the 178-yard 10th and 221-yard 15th, and the lake that separates the 17th and 18th holes menaces the tee shots at both holes par 4s of 428 and 441 yards respectively. Since the 18th green is the most fiercely undulating of 18 decidedly small targets, what seems like a birdie hole of 384 yards becomes anything but that.

This finish wrecked many a card in yesterday's first round in which 80 of the 149 starters failed to break 80. Many scores in the 90s were returned by club professionals utterly unable to cope with the insidious and relentless demands of the beautiful golf course. For instance, the famous Canadian Al Balding, director of golf at the National, was one under par after 15 holes on a day when only five men bettered that figure, but took 6s at both the 16th and 17th.

So Trevino's magical finish of 2, 3, 3, 3 in the far from easy conditions—a hot, gusty wind whirled disconcertingly through the trees with ever-increasing surroundings—was something of a record of art in keeping with the surroundings. I could not remember ever having finished with four birdies, and he had even missed a short putt for another at the 14th. A round of 67 gave Trevino the course record by two shots in addition to a two-stroke advantage over his nearest rivals, Peter Townsend, who scored 301 at Portmarnock last week, and was more successful at the microphone on his television commenting debut. Canada's best young player, Nim Nelford, and a local club professional, Bob Roco. Significantly, Tony Jacklin was the only other player to beat par, and is alone at 70. Tom Watson (72), defending champion Laury Wadkins and the left-handed New Zealander Bob Charles (both at 73) are well in touch, as are Italy's Baldo Dasso and South Africa's John Bland on 74. With Belgian Philippe Toussaint among those at 75,

the European circuit's representatives emerged with much credit as they had done at Portmarnock.

Europe's first Ryder Cup side could not have received a better psychological boost than that presented them by team member Mark James's great victory over Ed Sneed, the elegant American who narrowly failed to qualify for his country's team, but was a member of the winning side at Royal Lytham in 1977. One can never remember our team going into battle with more strength in depth or a more sensible, down-to-earth, non-playing captain than John Jacobs. If Jacobs can succeed in persuading his men as he hopes, to enjoy the match rather than regard it as vicious warfare, as have some of his immediate predecessors, we will have a better than ever chance against a team that, despite the absence of the inspirational Nicklaus has no weaknesses.

Two interesting postscripts emerge on my return flight with the American contingent after a fantastic final day of the Carrolls Irish Open which was attended by no less than 50,000

spectators. Sneed, who had appeared totally in shock as we drank a beer together after his final round of 65, explained that he was in this condition because he had won the event by finishing with two birdies. The last leader board Sneed had seen had been slow to record James's birdies at the 12th 13th and 15th holes, and had the Englishman standing at only ten under par as Sneed went to the last two holes at three under.

Lastly third placed Mark McCumber, who established such a rapport with the crowds, explained that after his massive drive to the 422-yard 18th hole he took his wedge for a second shot of 127 yards, knowing that he had to hole it to tie. He cheerily sent his caddy forward to attend the pin which to the delight of those in the packed grandstands, Mark told me: "Unfortunately the wind then switched around and blew in my face, and I hadn't the guts to recall my caddy to give me the right club—a nine iron." McCumber came up 30 feet short of the hole—and three

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LEISURE

Your own bookplate

THE PROPER place for a bookplate is in a book, reminded Edward Almack in Bookplates, part of the Little Books On Art series, 1904, declaring: "Now the simple fact is that bookplates belong to books, and anything that has to do with books will assuredly charm cultivated minds until time shall be no more."

To him bookplates or ex-libris as they are often called, designs or labels pasted inside the front covers of books to indicate ownership, was "first of interest as connected with a book, and a book is of interest for its subject and its owner's identity. Having made the point that he was not a bookplate collector himself, Mr. Almack nevertheless gave some useful advice to those who did: "You can set your mind on collecting, arranging and studying the bookplates of lawyers... judges... you can confine it to a country, a country, or even a county; you can strive to collect every portrait plate, every plate with a ship, every landscape plate, every military bookplate... this varieties are endless."

Of the ex-libris in The Studio, special winter number 1898-99, devoted to bookplates, Mr. Almack had some rather scathing comments. One by the brilliant Yellow Book illustrator, Aubrey Beardsley, for Olive Custance, was "not much to be admired," others had "disturbing elements," or were "a crowded hotchpotch."

The plate for Richard Trappes, designed by Paul Woodroffe (1875-1945), a Madras-born illustrator who specialised in book decoration, was however "refreshing to look upon... not common crowded, or eccentric," and the portrait plate of J. W. Simpson (1879-1939), a

prolific designer of bookplates, intended for his own use "a distinctly satisfactory modern plate."

Currently, interest in ex-libris is growing, and in keeping with the original philosophy that the study and amassing of bookplates should not be divorced from books, before joining The Bookplate Society you need to be a member of the Private Libraries Association. This is an international society of collectors of rare books, fine books, single authors, special subjects, and above all collectors of books for the simple pleasures of reading and ownership. (Details, for sale, to David Chambers, Hon. Publications Secretary, P.L.A., Ravelston, South View Road, Pinner, Middlesex.)

The Bookplate Society produces a list of designers and engravers from whom one can commission a bookplate, as well as an excellent quarterly Newsletter which gives check-lists of engraver's work, ex libris of families, and features members' own bookplates which are all the subject of study and comment. Members meet at least three times a year in London, when plates are exchanged or sold, and they can buy the Society's own publications at a special reduced price.

Hon. Secretary Brian North Lee has provided the most prolific research and documentation on bookplates, both vintage and modern, with his books,

The Bookplate Designs of Rex Whistler, 1973, and Early Printed Book Labels, 1976, both published by the Private Libraries Association. Mr. North Lee's latest work is British Bookplates (David and Charles £12.50), a splendid record of ex libris history over 500 years, with 250 illustrations.

Another worthwhile publication is Fridolf Johnson's Treasury of Bookplates from the Renaissance to the Present published last year by Dover/Constable, which includes Gordon Craig's novel design for Ellen Terry, pin-pointing her house at Wimbledon, and E. J. Cross's sinister-looking plate for Jack London.

Many interesting ex-libris can be seen in the Victoria and Albert Museum, either in the small collections in the Department of Prints and Drawings, or still in situ in books in the Library. The original stylish art nouveau drawing by Robert Anning Bell (1863-1933), dated 1895, for Philip H. Rathbone, is in the V and A print room. It is printed in two sizes, and there is a version on display at the current museum exhibition of bookplates, which is also illustrated in the supplementary booklet.

There is still time to see the last two days of "Bookplates in Britain," a scholarly exhibition presented in conjunction with The Bookplate Society in the Victoria and Albert Museum, Library Gallery, Room 74, open Saturday 10 am to 5.50 pm and Sunday 2.30 pm to 5.50 pm. It is the most comprehensive ever mounted on this subject... showing the development of styles and printing techniques from the simple armorials and printed labels of the 16th century to



Art Nouveau book plate designed by Robert Anning Bell, 1895. In "Bookplates in Britain," an exhibition which is in its last two days at the Victoria and Albert Museum.

the finely drawn illustrations of the 1890's, and the etched or wood-engraved designs of later times.

While you are in the gallery take a look at "The Art of The Book," an accompanying exhibition of fine books from the V and A Library's permanent

collection. The only treatment of the subject to be seen in a public gallery in England, it is part of a changing programme of book exhibitions, and goes on until October 28, open the same weekend hours, and 10 am to 5.30 pm, Mondays to Thursdays inclusive, closed Fridays.

CHESS

LEONARD BARDEN

TWO GAMES at the recent National Bank of Dubai Open in London offered different concepts of what constitutes a brilliancy.

One was a long-term sacrifice in which Kurajica, the Yugoslav grandmaster, gave up rook for knight against Simon Knott, the leading young player on the Stock Exchange team, for a powerful hind on the position. There was no immediate return for the material but a dominating knight at Q6 ensured that the defending pieces never got into action.

Black managed to exchange queens but the grandmaster then won with an unusual version of two united passed pawns. White: B. Kurajica (Yugoslavia). Black: S. J. B. Knott (Stock Exchange). French Defence (National Bank of Dubai Open 1979).

1 P-K4, P-K3; 2 P-Q4, P-Q4; 3 N-QB3, B-N5; 4 P-K5, P-QB4; 5

P-QR3, BxN ch; 6 PxB, N-K2; 7 N-B3, B-O2; 8 B-K2, B-R5; 9 R-QN1, Q-B2; 10 PxP, N-Q2; 11 R-N4.

The opening moves are important for the assessment of this popular line of the French Defence. White is following the plan of QR switch to the K-side introduced by Boris Spassky in the tenth game of his 1977 match against Korchnoi, but with a significant difference. Spassky developed his KB to Q3 where it was later exchanged for the black knight, while Kurajica aims to preserve the bishop for participation in the attack.

11... B-B3; 12 0-0 NxBP; 13 R-N4, N-B4. Korchnoi played N-N3 when 14 N-Q4! offered the KP for a strong attack.

14 N-Q4, P-KR4; 15 NxN! Clearly a promising sacrifice, since White's knight at Q6 is strong while the black king is a target at KB1.

15... PxR; 16 N-Q6 ch, K-B1; 17 P-B3! (stronger than 17 BxP K-side it helps open the K-side files). P-N6; 18 PxP, P-B4; 19 Q-Q4, P-QN3; 20 B-KN5, B-R5; 21 P-QB4 (undermining Black's pawn barricade). BxP; 22 PxP, B-N6; 23 P-N4, BxP; 24 PxP, N-N6; 25 Q-Q3, P-QR3 (better

N-B4 at once; as played the QNP becomes weak); 26 R-N1, N-B4; 27 Q-Q1, N-Q2; 28 R-B1, Q-R2; 29 Q-Q4, R-R4; 30 B-K3, N-B4; 31 Q-KN4, R-R1; 32 B-QB4!

The bishop which was exchanged in the Spassky game now eliminates Black's best defender. 32... Q-K2; 33 B-KN5, Q-Q2; 34 Q-B4, K-N1; 35 BxK, PxK; 36 P-K6, Q-R5; 37 QxQ! (a case where the exchange of queens actually strengthens the attack). NxQ; 38 P-K7, K-R2; 39 R-B7, P-QN4; 40 P-B6! K-N3; 41 P-B7. Resigns. The pawns cost Black both rooks.

The second game is closer in the chess public's idea of a brilliancy. White offers three pawns and finishes with an unusual mate.

White: M. J. Yeo (Insurance). Black: A. Erdal-Smith (Southeast). Modern Defence (National Bank of Dubai Open 1979).

1 P-K4, P-KN3; 2 P-Q4, B-N2; 3 N-QB3, P-Q3; 4 P-B4, P-QR3 (this Q-side advance is good against 4 B-K2 but puts Black behind in development against White's direct attack); 5 N-B3, P-QN4; 6 B-Q3, B-N2; 7 0-0, N-Q2 (better P-N3 at once); 8 P-K3, P-N5; 9 N-K4, P-Q4! (Black's position is already in danger but he should try N-R3); 10 N-N5, P-K3; 11 P-B3! (the start of a brilliant refutation). NXP; 12 NxBP! KxN; 13 N-N5 ch, K-K2; 14 NxKP! KxN; 15 BxP ch, K-R2; 16 B-N3 ch, Q-N3; 17 Q-K1, K-B2; 18 B-N6 ch! (the third sacrifice is well declined, for if KxB; 18 PxN ch, K-Q2; 19 PxB, QxB; 21 PxR-Q; 22 N-N3; 19 Q-N3, N-K5; 20 B-B7 mate.

BRIDGE

E. P. C. COTTER

WE HAVE Match of the Day. Goal of the Month, and now in line with these we have Hand of the Year, the Solomon Award for the best played bridge hand. First this recent winner of the award, which comes from a team-of-four match held in Italy:

N. ♠ A 2 ♣ K Q J 4 ♦ A K Q 10 6 3 ♣ 3

W. ♠ J 10 9 8 5 ♣ A 8 3 2 ♦ 7 2 ♣ J 9 8 5 ♠ A K 9 8 5 2 ♠ Q 10 4

With both sides vulnerable South dealt and bid one spade, North replied two diamonds, and South rebid two hearts.

North now introduced a Blackwood four no trumps, and after South's response of five diamonds bid six hearts, which became the final contract.

West led the club Ace, East dropping the four, and continued with the King. Ruffing with the heart four on the table, the declarer cashed King and Queen of trumps, and East threw a spade on the second round.

The 4-1 break was unpleasant, but the slam could still be made provided that either spades or diamonds broke evenly.

South cashed the heart Knave, and this drew another spade discard from East, which was most revealing. East had shown up with one heart, his club discards placed him with three cards in that suit, and a second discard in a suit that South had bid surely marked him with four diamonds to the Knave. His pattern, then, was 5-1-4-3. This meant that South would not be able to cash dummy's spade Ace and cross to his own hand via the Queen, because West would ruff.

After this assessment of the position, South led dummy's two of spades to his Queen, and drew the last trump, at the same

time discarding the spade Ace from the table. The subjected East to a squeeze in three suits. East threw the club Queen, but now the club Knave squeezed him again in spades and diamonds. Fine card reading and excellent technique.

Perhaps East might have played the club ten on his partner's Ace to show the Queen and invite a low club continuation. With West still controlling clubs, East can throw his last club without embarrassment and escape the squeeze.

My second hand which comes from a Canadian tournament, reported in the Montreal Gazette, shows that a part score deal can provide as much interest as a grand slam:

N. ♠ 10 3 2 ♣ Q 8 7 5 ♦ A K 9 3 2 ♣ 3

W. ♠ A 9 7 6 ♣ A Q J 8 ♠ 6 4 ♣ A K 9 ♦ Q J 10 7 ♠ 8 6 5 ♠ Q J 2 ♠ 10 9 7 5

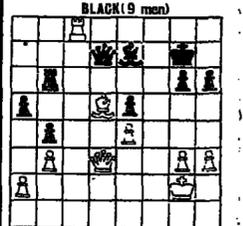
At love all South dealt and opened the bidding with one club, North said one diamond, South rebid one heart and North's raise to two hearts concluded the auction.

West shrewdly led a trump, East won with the King, and paused. He thought of switching to the spade Queen—this is surely the right line—before continuing trumps, but he changed his mind, and played Ace and another heart, which ran to dummy's Queen.

Returning the singleton club from the table, the declarer played his eight with five and followed with the Ace, and West, the safe hand, was in. He returned the diamond Queen, the declarer allowed this to hold the trick, and now the defence could pack up and go home.

The two ducking plays had left declarer in complete control. A spade lead sets up South's King, and a lead from either minor would allow that suit to be set up after one ruff, while two spades were discarded from dummy or from hand, according to the minor suit selected. Simple and very effective.

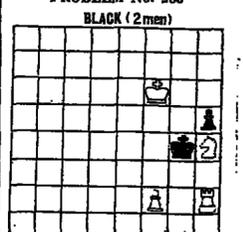
POSITION No. 263



PROBLEM No. 263

Karpov v. Hubner, Montreal 1979. This puzzle originally appeared as No. 272 where world champion Karpov continued 1 Q-B4, eventually drawing. The solution, quoting the tournament bulletin, was 1 R-N8 ch, K-R2; 2 RxP, K or RxR; 3 B checks and 4 QxQ. But FT reader E. M. Lane (Purley) points out an interesting improvement of this solution. The new puzzle is a double one: (a) how could Black have defended better in the variation above? (b) could Karpov have won as White (to move) in the diagram?

WHITE (4 men)



White mates in four moves at latest, against any defence (composer unknown). The idea is simple, but several strong players have failed to crack this problem.

Solutions Page 14

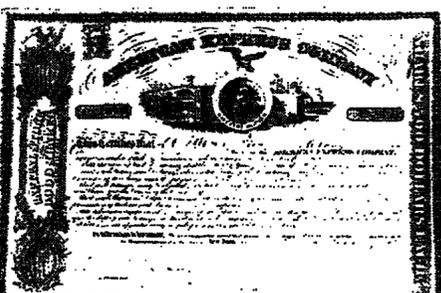
Old stocks

BECAUSE OF possible misunderstanding and embarrassment, collectors of old stocks and bonds have been quick to devise a pseudo-scientific name for their hobby. The term was coined as a result of a Times competition and as a hybrid of Greek and American English will be deployed by language purists, but it neatly encompasses what has become the fastest growing collecting pursuit.

Scrapophily had its origins in West Germany. Its leading exponents, Erich May, Ulrich Drumm and Alfons Henseler,

gard as little more than wallpaper. Drumm and Henseler quietly amassed superlative collections of this material and, as other enthusiasts followed their example, they founded the Society of Collectors of Historic Securities in Frankfurt. Since 1976 they have jointly edited a journal for scrippophiles and published two volumes cataloguing all the known Russian railway bonds and the Chinese bonds respectively. Interest in scrippophily spread to America, where collectors naturally gravitated towards the hitherto worthless certificates of the Confederacy, and this has led to the publication of the definitive catalogue on Confederate and Southern State Bonds.

Scrippophily came to Britain in 1977 and almost overnight old bonds and share certificates were transformed from mere worthless papers into documents of immense socio-economic interest. The market in Britain tended to follow the lead of Germany and America and concentrate on Russian, Chinese and Confederate material. Obsolete government bonds, the precise number of whose issue was known, have attracted the greatest attention. In many instances these bonds were issued in surprisingly low numbers. For example, the Deutsch-Asiatische Bank issued only 100 bonds for £500 of the Chinese Imperial Government



Gold Loan of 1898, of which, after redemption, a mere 17 are still in existence. Once regarded as utterly valueless, these bonds now have a market value of £5,000 each. The Homan Railway share certificates of the 1895 issue were worth around £10 as collector's pieces in January 1978; by the beginning of this year these Homan certificates had risen in value to £150. On the Stock Exchange this 15-fold increase was matched by a corresponding jump from a quoted 5 per cent to 105 per cent within the same year.

The market in old Russian and Chinese certificates is easing off now and attention is now being focused on the Confederate issues which have got a lot of leeway to make up. At the same time there is keen demand for old British stock,

emphasis being laid on the certificates of long-forgotten railway, tramway and canal companies. These certificates are invariably engraved with fine vignettes of locomotives, shipping and allegories of commerce and industry. European certificates seem to have had a penchant for industrial skylines, with phalanxes of chimneys belching smoke into the atmosphere. One is reminded of the story of the arch-swindler Rochette whose only employees were stokers working around the clock to keep the furnaces of his empty factory in action to encourage prospective investors.

By some quirk of human nature the most highly prized certificates today tend to be those with a highly speculative—if not downright fraudulent—background. In this category

come the shares of the notorious South Sea Company, John Law's Mississippi Company, the French Panama Canal Company, the Swedish match enterprise of Kreuger and Toll, and Horatio Bottomley's Thrift Bond Club. Even Bernie Cornfeld's IOS certificates are now attracting serious attention as collectors' items. There are innumerable examples of questionable mining enterprises, not to mention the spate of railway shares floated at the height of the Railway Mania of the late 1840s, and government bonds of non-existent countries such as Couanai and Sedang. Generally speaking, what these certificates lacked in sound financial backing they made up for in the beauty of their vignettes and decorative treatment.

Scrippophiles now have three clubs catering to their interests: Freunde Historischer Wertpapiere, Goethestrasse 23, D-6000 Frankfurt 1, Germany; Friends of Financial History, 170 Broadway, New York 10038; and the Bond and Share Certificate Collectors' Society, Heatherdene, Blackheath Lane, Sevenoaks, Kent. Certificates have close affinities with numismatics and philately, being produced on the same security printers as stamps and banknotes and often embellished with revenue stamps. Stanley Gibbons Currency Limited have a comprehensive stock of old securities and their auction on September 14 contains 230 lots with estimates ranging from £5 to over £5,000.

SCRIPPHILY

JAMES MACKAY

were born when the Third Reich was crumbling, and they have grown up in the era of the economic miracle. Now successful bankers and stockbrokers, they have for some years past devoted their leisure to the study and collection of historic securities, concentrating particularly on the bond and share certificates of Tsarist Russia and pre-war China. The destruction of the capitalist system in these countries reduced the value of countless stocks and shares to nil and for years the beautifully engraved certificates were re-

CONCERTS

ROYAL FESTIVAL HALL

London Philharmonic Philharmonia Royal Symphony Royal Philharmonia BOOKING OPENS during the coming weeks for the following concerts in THE 4 ORCHESTRA SERIES ROYAL FESTIVAL HALL Tickets from Royal Festival Hall Box Office (01-928 3191) & Agents

Table with concert details for Tuesday 7 Oct, Thursday 4 Oct, Friday 5 Oct, Sunday 7 Oct, and Sunday 7 Oct. Columns include orchestra/conductor, time, and ticket prices.

QUEEN ELIZABETH HALL

WEDNESDAY, 19 SEPTEMBER at 7.45 p.m. ORCHESTRA OF ST. JOHN'S Smith Sq. Conductor JOHN LUBBOCK Soloist EMMY VERHEY Mendelssohn Hebrides Overture (Fingal's Cave) Mendelssohn Violin Concerto Mendelssohn Violin Concerto (Scottish) Mendelssohn Symphony No. 3

Advertisement for the new York City Ballet, featuring a performance on Sept 4-22 at the Royal Opera House, Covent Garden. Includes details about the company, dancers, and ticket prices.

Advertisement for RICHARD GREEN EXHIBITION OF SIGNED ARTISTS' PROOFS BY MUNNINGS, FLINT AND DAWSON. Includes contact information for Sir Alfred Munnings PRA, Sir William Russell Flint RA, and Montague Dawson FRSA.

Advertisement for INTERNATIONAL STAMP AUCTION. Stamp properties in excess of £2 million will be sold to highest bidders. Location: Zurich International Hotel, September 24-28, 1979.

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Advertisement for PUBLIC NOTICES. HAMPSHIRE C.C. Issued 31 August 1979 £7m Bills due 28 September c. 13,174,641m. Applications £56m. Total outstanding £39m.

Advertisement for LEGAL NOTICES. No. 001780 of 1979. In the HIGH COURT OF JUSTICE Chancery Division, Mr. Justice Slade, in the Matter of COMDOWNHEATH SMELTING LIMITED and in the Matter of the Companies Act, 1948.

Advertisement for PERSONAL. BUSINESS AND FAMILY HISTORIES traced. Also includes an advertisement for OVERWEIGHT? for an individual program.

Advertisement for EXHIBITIONS. ALL ABOUT THE NATIONAL TRUST. NOTICE IS HEREBY GIVEN that the Chancery Division, dated the 30th day of August 1979, has confirmed the RE-DUCTION OF CAPITAL of the above-named Company from £2,500,000 to £1,500,000.

Advertisement for LEGAL NOTICES. No. 001780 of 1979. In the HIGH COURT OF JUSTICE Chancery Division, Mr. Justice Slade, in the Matter of COMDOWNHEATH SMELTING LIMITED and in the Matter of the Companies Act, 1948.

Drifting to the crisis

ALTHOUGH THE markets remain as sluggish as an England openly standing, the economy is steadily nearing the first critical test of the Government's current policies; and already those policies themselves are coming in for a good deal of rather nervous criticism. It is worth, therefore, standing back and reconsidering the Government's short-term aims, the developments which could help or frustrate them. Both the policies and the possibilities seem to be quite widely misunderstood.

Inadvertent

The central criticism of Government policy, as expressed recently by the National Institute for Economic and Social Research and from Cambridge, is that existing monetary policy, against a background of accelerated inflation, will push the economy into a dangerous slump. A rather different version, from the London Business School, warns the Government against increasing severity through following mistaken policy rules. The difference is important.

Those who simply accuse the Government of risking a recession are not likely to disturb the sleep of Ministers. A Government which is committed to fighting inflation in a free market economy inevitably runs that risk. Everything depends on the willingness of the economy to respond to policy. If borrowing is to be high, high cost of credit, and if wage bargains are realistic in the new context, then any recession could be quite brief.

Wage pressures

This point is worth sketching out as a favourable scenario. Reduced private borrowing—and this largely means personal borrowing, since companies are at the moment suffering from a cash flow—together with an improved trend of public borrowing as the Government's expenditure policies begin to bite would not depress the economy. In the context of tight monetary targets, this would simply ease the pressures in the credit markets. Interest rates would fall, and probably the most striking effect would be on the balance of payments. Sterling would remain strong, but since rates need not long stay at a level likely to attract foreign investors so strongly, the sterling volatility which reflects capital flows should abate.

Realities

In other words, it is not necessarily any easier to run economic policies aimed at financial stability than to pursue the old objectives of stable growth or employment. In the coming months we must all learn the realities of the market economy, or suffer some nasty education through experience; and we are, all of us, from shop-floor workers to Ministers, among the learners.

and Spencer, and of a shop floor revolt at Leyland against the engineering strike, show that such developments are not beyond the bounds of possibility. There are therefore three crucial indicators for the coming months: the trend of personal borrowing, of the public sector deficit, and of wage settlements.

The market seems to reflect this assessment. In spite of the high level of interest rates and the pressure on profit margins, this is not a classic recession market, with equities sagging and gilts in heavy demand. The fact is that the easing of pressures will help both the financial and the real economy; excessive pressures will threaten both, and at the extreme could undermine Government policy. The rhetoric of the coming TUC conference may suggest a conspiracy with precisely this aim. It remains to be seen if the shopfloor is feeling rhetorical.

Warning

None of this means that Government policy is perfect, or that Ministers should disregard all criticism. The policy would have got off to a better start had the borrowing requirement been lower in the first place, and the tax addition to retail prices somewhat less. There are now unnecessary problems. One which much concerns the London Business School is that the need to cut the borrowing requirement from its present excessive level will be translated into an *ide fixe* about its money value. This means that if demand and wage pressures are such as to push the economy into a deeper and more obstinate recession, the Government will cut that much harder, preventing the natural rise in borrowing which tends to limit the depth of a recession. The warning is in principle timely. It is the trend that matters.

The other problem could arise in the exchange markets. An extremely volatile market quite largely reflects excessive domestic pressures. The rapid increase in North Sea oil revenues this year applies such pressures; if they are not accommodated in policies which aim, among other things, at a much improved balance of payments, a disturbing pattern of excessive appreciation, followed by excessive correction, could set in, as in 1974-76.

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Britain's offshore Edens are getting overcrowded

BY ANTHONY MORETON, Regional Affairs Editor

WITH INCOME tax at a mere 20p in the £, no capital gains tax, no capital transfer tax, no corporation tax, and with UK citizenship included, the sun might be thought to shine for ever. But as there were the odd problems in Paradise, so it is in the Channel Islands.

Because of their tax structures both Jersey and Guernsey are growing so fast that they are threatening to burst at the seams. The population of each of these small tax havens, or offshore financial centres as they prefer to be called, is growing at such a rate that unacceptable pressures are being put on services such as water supply, housing and roads. Guernsey has more cars, for instance, than workers.

Even in the Isle of Man, where they do not mind being called a tax haven (and where tax is 20p in the £, though it will probably drop to 20p next year) there is concern about population levels. Yet the island is ten times larger than Guernsey and five times the size of Jersey.



Strain on services

What particularly concerns all three islands is that although rising numbers are putting a strain on services, limitations on numbers could affect economic growth. The well-heeled immigrant has become an important contributor to the insular income and if he is not made so welcome in future the income may not rise. Squaring this circle is causing as much anguish in St. Helier as it is in St. Peter Port and Douglas.

The contribution of the well-off is most marked in Jersey. The wealthy contribute just over a quarter of the island's annual income through the tax they pay. In the other two places their contributions are important, but not nearly so marked and more difficult to define because the official statistics lump them in with those of the general financial sector.

In Guernsey, the financial sector accounts for just under 25 per cent of the island's income and in the Isle of Man it is 29 per cent and rising strongly. In Jersey the combined contribution from the well-to-do and the financial sector is over half the island's income.

In order to ensure that the well-off, and especially the retired, do not flock in to the islands in uncontrolled numbers seeking the benefits of low taxes (especially the absence of capital transfer taxes) each island has had to erect a series of controls, most of which involve housing. This has been the only way in which they could prevent the age weight of their residents becoming top-heavy with the over-sixties.

Now, there are moves to

tighten the regulations even further. In doing so, the islands are aware that they are taking a course which is finely balanced between physical and environmental needs and economic needs. In both Jersey and Guernsey real growth has turned down in the past two years and in the Isle of Man the position is flat.

Jersey has been the first to tackle the problem. Next month its policy and advisory committee is almost certain to accept a report drawn up earlier this year which recommends imposing more stringent conditions on entry.

The number of very wealthy immigrants allowed in (they now average about 15 a year) will be halved. The number of housing permits issued to essential immigrant workers will almost certainly be cut. And the rule under which anyone can lease a house in his own name if he or she has lived on the island for 10 years will be considerably tightened.

To understand the impact of these changes it is necessary to know one's way around the labyrinthine rules governing residence, rules which frequently prevent even native-born islanders from returning. Students, for instance, who leave for long study courses, such as medicine, frequently find they are unable to return home to practise.

The main group of potential immigrants is divided into two sections: professional and non-professional workers. Professionals, such as bank

managers, normally get "a consent" to enter Jersey providing they have a house available which has been bought by their employer. After living in this house for 10 years the accountant or bank manager can then buy something in his own right. Purchase, in effect, involves citizenship because the island would not throw out a householder.

Non-professionals, such as chefs, waiters and bank clerks can obtain "a consent" providing the States (the island government) has allowed the employer to lease a property. After living in an employer's leased house for 10 years the worker can lease accommodation himself for a further 10 years. After these 20 years he is entitled to buy—and become a Jersey citizen. It is this category which will feel the tightening of the rules.

Wealthy and famous

There are also the very wealthy, the category which catches all the limelight because it includes people such as Tony Jacklin, Sir Billy Butlin, Alan Whicker, Jack Higgins, the author of *The Eagle Has Landed*, Billy Walker and Alife Hinds.

Jersey adopts a very flexible policy towards the very wealthy, one to which it gives little publicity. It is commonly thought the island admits 15 a year, but this is not so. The figure is an average, and might be higher or

lower in any one year. In the future, the average will be about eight.

Wealth is not the sole criterion for entrants. Those accepted, and there is no shortage of applicants, are expected to be able to contribute to the social or economic life of the island. The word "or" is very important.

Such newcomers are expected to contribute heavily. They must have an income which will produce a tax bill comfortably above £10,000 a year, which means that their gross income must be well over £50,000. The authorities probably look for gross income of at least £60,000 to £85,000 a year. The actual height of the hurdle depends on the pressure of demand to get in.

On top of this the potential entrant must be able to buy a house well outside the range that the majority of the locals can afford. Today, this means that they must look for something in the £150,000 price bracket at least, and probably some way beyond it.

If Jersey cuts back on the professionals, the non-professionals and the wealthy then this will clearly have consequences for its offshore banking sector, which has grown remarkably since the start of the 1960s. The pool of financially skilled people on the island is not so large that there is any slack that can be taken up to meet new operations.

Yet the cut-back is likely because unless some move is taken, the island will almost burst at the seams. What the

authorities want to ensure is that the population does not exceed 80,000 by 1995.

Jersey itself is just 45 square miles in area and has a population now of about 78,000. Guernsey is even more tightly crammed: on its 24 square miles there are 54,000 people. The Isle of Man is the "wide-open spaces" by comparison, with 81,000 people to 227 square miles, but it is also acutely worried about the consequences on its quality of life of more immigrants.

Guernsey is equally concerned about the potential growth of population, although it adopts a different approach to those seeking to enter. It allocates licences for certain essential people to buy houses and will issue 90 this year, of which the government will itself take a proportion.

Anyone else wanting to come in is welcome, providing he can buy a house on the island's open market register, of which there are only 1,400 out of the 18,000 houses on the island. Usually there are only a dozen or so properties on this register at the market at any one time. At the moment a new entrant would have to pay at least £80,000 and probably much more.

Guernsey has not attracted quite the same number of the very wealthy as Jersey and those that have gone there have kept themselves much more to themselves. But among the arrivals have been Professor C. Northcote Parkinson, of the famous "law," and the authors Desmond Bagley and Christopher Nicole. And on the outer islands, which come within the bailiwick of Guernsey, are Sir Charles Hayward, one-time chairman of engineering giant Vith Cleveland, on Jethou, Miss Elizabeth Berezford, one of the Wombles team, on Alderney and Mr. Leonard Matchan, one-time head of Cope Allman, on Brechou.

Work permit strategy

The Isle of Man is stronger in retired colonial civil servants than the commercially rich. As the sun, and the flag, has gone down on the empire so the consuls have retired to Ramsay and Peel to protect their savings and pensions. The black-belt brigade is sometimes known there as "comeovers"; sometimes, less affectionately, as "whenevers" from their habit of seemingly prefacing all conversation with the gambit: "When I was in..."

However, it has also attracted its quota of those seeking respite from UK tax levels, among whom the best known are probably Richard Adams, author of *Waterhouse Down*, Robert Sangster, of the Vernons Pools family, and W. A. Gilbey, of the gin concern.

The Isle of Man allows retired immigrants in without check and imposes no financial qualifications. But those who want to work have to get a

work permit, a strategy not welcomed in the Channel Islands. This is difficult. Applications are vetted by the Board of Social Security in Douglas which will refuse a permit if there is a Manxman to do the job or if there is likely to be a Manxman capable of doing it. This latter qualification had led to some very strange appointments being made.

The policy was introduced to protect the native workforce but it is no longer needed on economic grounds. The island would like more workers, but how many?

This question is now being considered by an official committee, although no solution (or even a report) is likely for a very long time. Manx is considered to be a word indicating a state of almost indecent haste on the Isle of Man.

Earlier this year a government population projection estimated there would be 95,000 people by the late 1980s, which caused a considerable furor when it was published.

Citizenship question

The question of numbers is clouded in Douglas by a larger discussion about citizenship. There is a considerable body of opinion which believes that the first question to be asked is not "How many?" but "What is a Manxman?"

Tyrowald, the island parliament, has had one stab at answering this question only to see it fail on the casting vote of the Speaker of the House of Keys.

At the moment, Manx people are citizens of the UK and the colonies and owe allegiance to the sovereign. A growing minority feels that there should be a category of Manxmen limited to those born on the island, those having one Manx parent, those who have lived on the island for 10 years or those married to a Manx woman. If such citizenship could be established, it is claimed, the matter of immigrants could be discussed rationally.

The precise definition of citizenship is one that has exercised the minds of many others elsewhere, not least in mainland Britain. Within an island however, it takes on a larger meaning because newcomers cannot take refuge in numbers and because the geographical area is small.

The three islands have been used to working to a fine balance between the needs of economic growth and the needs of environmental control. This is why the issue of size has suddenly become much more important to them. Suddenly, they are faced with the possibility that economic growth may have to be restricted in order to protect their quality of life. Jersey will be the first to act but it will be watched closely by Guernsey and the Isle of Man, which will have to make some decisions themselves before very long.

Letters to the Editor

Taxation

From Mr. J. Ross

Sir—On the subject of tax avoidance it is difficult to see exactly what Mr. J. Newman (August 23) is asking for. The implication of his assertion that the fault lies in the English legal system and the doctrine of the supremacy of form over substance suggests that he would like a general anti-avoidance clause, such as is in force in other countries, which effectively gives power to the revenue authorities to set aside the apparent effects of transactions and substitute their own version if this would give a higher tax charge. Such legislation has been in force from time to time here, e.g. for excess profits tax and excess profits levy purposes and could perhaps have been justified then by the exigencies of the times but it has never been a feature of the ordinary taxation system, presumably because it amounts to taxation by opinion, and who can say where that would end? As he says, there is overkill occasionally but a general anti-avoidance rule would certainly be much more onerous than the present position.

Surely the issue with search warrants and similar powers is how far the administration of justice requires interference with the liberty of the subject. When the police ask for search warrants in connection with crimes relating to stolen property or physical violence, they must have something specific in mind and are not allowed to go on "fishing expeditions." If the Revenue is to be allowed "fishing expeditions" then let Parliament say so. So far it would seem that the procedure laid down in the Finance Act 1976 is rather similar to that laid down for searches in other criminal fields and it will be for the House of Lords to say whether that is the intention of Parliament and, if so, whether the boundaries have been observed.

Engineers

From the Secretary, The Institution of Electrical Engineers

Sir—Mr. R. J. Clayton, technical director of the General Electric Company (August 28), depreciates the recommendation of the Institution of Electrical Engineers (IEE) that certain engineering work of particular significance to the community should be reserved to engineers registered by a statutory authority as having met suitable standards of qualification and experience.

He says GEC relies on the experience and responsibility of certain identified engineers to ensure standards of performance and safety rather than on

Prosperity

prosperty must largely depend. C. F. Galsborough, Savoy Place, WC2.

Mail

From Mr. A. Lynch

Sir—On August 22 I posted in Liverpool a first-day cover commemorating the 100th anniversary of Rowland Hill's death. It bore stamps to the value of 49p.

Pensions

From Mr. T. Shucksmith

Sir—Mr. Notgate (August 23) appears to have misinterpreted my letter of August 18 and revealed another misconception. The main point of my letter was to question the truth of the assertion that switching National Coal Board and British Rail pension schemes to a pay-as-you-go basis would achieve a real saving. It cannot, of course, be denied that there would be a short-term reduction in Government support needed for these industries, but only at the price of a longer term cost.

Coasts

From the Director General, The National Trust

Sir—In his excellent article, "The endangered countryside" (August 23), Mr. Moreton refers to the coast as an enormous safety valve for the countryside. There are many worthwhile points to be made. One is to record the surge of practical support that comes whenever something is done to secure the coast from some threat of development. The National Trust's experience may serve as an example. Since its Enterprise Campaign appeal was opened in 1965, over £4.4m has been subscribed, and over 200 miles of coast has been acquired by the Trust for preservation for ever by virtue of the special powers it enjoys under its Acts of Parliament. Industry, commerce, local authorities, private individuals, charitable trusts, public funds, and a host of others make up the list of Neptune benefactors. The

Restoration

of the fund. Schemes of this type may be contrasted with a money purchase scheme, in which employers' contributions are predetermined and benefit levels are consequential. In this sense NCB and British Rail schemes are conventional. They are clearly far from typical, but their special features are largely irrelevant to the question whether there would be a real saving from changing to pay-as-you-go.

The new misconception is that a "pension fund cannot afford" a particular level of pension increases. This might be true in a money purchase scheme, but in a conventional scheme it is the employer who may not be able to afford the benefit improvements. The fund is generally not authorised to grant benefit improvements without the consent of the employer and his agreement to meet the cost out of his interest in the fund or future contributions.

Tom Shucksmith, Roquebrune, 139, Blackborough Road, Reigate, Surrey.

Coasts

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Congratulations to Gerry Breen for dropping in on Paris by hang glider.

Vastly larger numbers go to the "hotspot" beaches, often owned and admirably cared for by local authorities. The coast is in danger from its visitors because of its immense popularity. Unobtrusive and sensitive wardening, cleaning, limiting numbers, making safe "good management" in fact—is as essential there as it is inland if beautiful countryside is to survive as a home for wildlife and as a source of enjoyment to the gregarious and to the solitary.

J. D. Boles, 42, Queen Anne's Gate, SW1.

Trees

From Mr. A. Horsnail

Sir—Some of us believe that vandalism and industrial strife in recent years are increasing partially because insufficient attention is paid to the care of our industrial and urban surroundings. In this context your article, "The endangered countryside" (Aug. 23), while important, is only one aspect of concern. Conditions near our homes and workplaces affect us everyday.

Unexpectedly, social tensions are not relieved by resettlement from old into newer housing—as a study of County Structure Plans reveals. One sadly neglected feature of our surroundings is the gracefulness, colour and wildlife habitat which careful tree-planting schemes inspire. If we are to plant more trees this winter in urban and industrial areas now is the time for preparations to be made. A. G. Horsnail, Crawley Down, Crawley, Sussex.



امکان الی حد

Siesta and late hours make a short day

SOMEONE eager to see Oscar Wilde once asked if they could meet at nine in the morning. Oscar Wilde is reputed to have given the man a condescending look and replied: "My good fellow that would be a little inconvenient because I go to bed between four and five in the morning and I dislike staying up that late."

I suspect that most Spaniards would share Wilde's sentiments about the anathema of early morning appointments. If one nation's habit stands out above all others, it is the Spanish addiction to late living. Spain as a nation keeps hours that, with the exception of Greece, do not synchronise with the rest of Europe.

In Spanish there is a special word to describe someone who stays up late. He is called a *travocador*—a person who "sees the night through." (The dictionary gives no feminine equivalent although women stay up just as late as men and the children are not far behind.) For a Spaniard staying up late means precisely that. A Spanish businessman once jokingly told me a doubtful tale that the reason for the success of the Spanish *quistadores* in Latin America was because they were not upset by the time change. Most Spaniards eat their evening meal at the same moment as most east coast Americans—even though there is a five hour time difference.

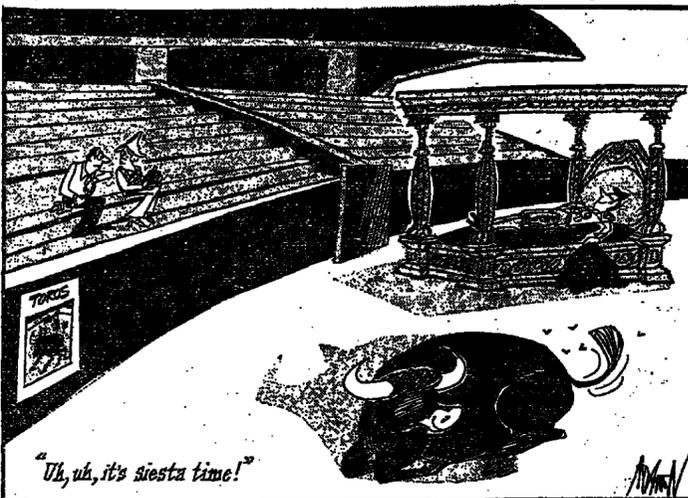
Unless a restaurant caters for tourists, the waiters are unlikely to be ready to serve dinner before 8.30. A Spaniard would never confess to feeling hungry before 10 pm and frequently sustains himself well beyond 11 pm on snacks before settling down to dinner. Even the animals in Madrid Zoo are obliged to adopt Spanish habits. They are not fed until 7 pm, a food which their colleagues in Northern

European zoos. Evening entertainment does not begin before 10 pm. The last cinema performance starts usually at 10.30 pm as do theatres. Prime viewing time on television is between 9.30 pm and midnight. Night clubs are rarely active before 1.30 am. There is a well known satirical revue where the main performers do not come on stage until after 2.30 am.

Non-seasonal

These hours vary very little between winter and summer. The most striking thing is that it is not merely the rich and the idle who stay up late—although the latter certainly do stay up later. Even those who have to get up early rarely think of turning in until after midnight. Because late hours are taken for granted politicians and officials think nothing of arranging meetings at 10 pm and 11 pm which go on into the early hours. If one were to analyse when the important decisions regarding the life of the nation were reached, it would probably transpire that most had been made after midnight. Indeed the fact that the decision has been agreed in the early hours somehow seems to underline its importance.

Urban Spaniards, unless forced by factory schedules, are not early risers. Perhaps this is an inherent rejection of rural life, only a generation distant for the majority of city dwellers. (Spanish also has a word for someone who gets up very early in the morning—a *madrugador*.) My local market in Madrid is not fully opened before 9.30 am, and even then it is not unusual to find merchants still arranging their stalls. The peak time for housewives to do their shopping is around 12.30 to 1 o'clock. Schools begin at either 9.00 or



9.30 while offices start working between 8.30 and 9.30. This said, it is difficult to find executives in their offices before 10.00, and in the case of the Government administration even later.

Lunch time is the biggest single division of the day, still essentially conditioned by the ingrained habits of an agricultural society that did not work during the sun's strongest heat. Except in large factories, there is no such thing as a "lunch-hour." Spaniards take a break of between two and two-and-a-half hours, longer in summer, that begins at either 2.00 o'clock or 2.30. Starting perhaps as late as 9.30 the civil service pack up for the day at 2.30. During this period there is a virtual shutdown except for

restaurants, bars and the few department stores that exist in the big cities. The weekly Cabinet meeting is designed to break up before lunch. Yet no matter how important the subjects agreed, no announcement is made until officials have eaten a leisurely lunch and napped a bit. This is usually four hours later.

After nearly two years in Spain I am still amazed to see people wandering into restaurants to eat lunch at 4 o'clock in the afternoon as though it were utterly commonplace. For a long time I wondered why they arrived so late, subsequently discovering these were people who stayed late to get work done in peace or who had already dined in the bars drinking and eating *tapas*

(snacks). Fewer people in the larger cities may find it worth while to go home for lunch, but countryside this is still a major phenomenon, which of course permits the *siesta*. Even if fewer Spaniards can take a *siesta* (originally referring to the rest taken at the sixth hour after sunrise) no one has forgotten the habit.

Evening break

Offices and shops reopen between 4.30 and 5.30 in the afternoon and close three hours later. Quite a lot of people then take a *siesta* before beginning the evening. With this sort of schedule it is not hard to see how the evening starts so late. I am still not clear, however, where people obtain the stamina

to withstand such a long day. It is only in part explained by a leisurely approach to work and frequent breaks to have coffee and a snack. For instance most Spaniards go straight to work in the morning without breakfast, then almost as soon as they have checked in they go and eat.

It is remarkable how this pattern, which reflects less and less the demands imposed by a modern industrial society, has remained in effect Spain has grafted its traditional system of agricultural working hours onto its government and commercial life.

In the 1960s an attempt was made by Franco to bring Spanish hours more into line with the rest of Europe. But this was strongly resisted and quickly forgotten. Recently several senior officials have said in private that Spanish hours must be overhauled. They point to the practice of senior civil servants who are obliged to return to their offices after lunch (poor things), of hiring special afternoon secretaries.

There are also powerful energy saving arguments being brought to bear. The extended lunch break means a higher consumption of energy because offices need to be kept heated or air-conditioned and lighted longer. But no matter how forceful the logic of these arguments, any change in the present system is charged with emotion—and self-interest. For a start any move by the administration to alter the hours worked runs against a host of vested interests. Civil servants frequently use the

afternoon to do second jobs. As many as one in every 10 men working in the larger cities are thought to hold down some form of second job, the majority on a permanent basis. For instance several of the porters in the building where my office is located work there only half a day.

Resistance

Efforts by the banks earlier this year to alter banking hours got nowhere. They wanted to shift working hours to a five-day nine to five system. But the powerful bank trades unions strongly resisted, preferring to work a six-day week and continue closing at 2.30 in the afternoon (2 o'clock in summer). A prime motive, bank managers believed, was to allow bank employees the freedom to "moonlight." Another was the simple preference for a free afternoon. The banks themselves only seemed to press the matter half-heartedly. At present few are equipped to cope with an eight-hour day. Only a limited number have canteen facilities which could cater for staff wanting to lunch on the spot.

The foreign banks which this year have been allowed to open up branch operations here are tackling the subject more aggressively. One American bank in particular has planned its offices so as to take account of a nine to five working day—even if agreements with staff have yet to be formalised. In spite of the resistance to change, there are some formidable elements corroding Spanish habits. A combination of increased trade union power, and higher wage and energy costs is throwing a question mark over how late Spain can afford to stay awake. Since the legalisation of trades unions in

April 1977, the catering sector has begun to demonstrate increasing muscle. The lateness of bars, restaurants and night clubs hinged in large measure on low pay and the poor bargaining power of these workers. A series of well-organised strikes this year in several large cities, including Madrid, showed that these workers were no longer willing to work long hours cheaply and under bad conditions. Meanwhile staff overheads in the past three years have consistently outpaced the increase in cover prices. Bars and restaurants have retained their profitability only because rents have remained low.

The other key croning effort is the energy crisis. Spain, unlike the rest of Europe in 1973, carried out no energy conservation measures. However, it has now been forced to act. Television has been obliged to end at midnight. This month illumination of public buildings has been cut back and offices and showrooms must now turn off their lights at 11 o'clock. The consumer is also being made to pay considerably more for electricity. The government avoided recommending a specific closing time for bars, restaurants and night clubs. This was thought unnecessary because a trend towards earlier closure is anticipated.

A sign of the times is apparent at Madrid's most famous literary cafe, the Cafe Gijon. The other day I took a visitor there who had known it seven years ago. The lights were turned off unceremoniously by grumpy waiters at one o'clock in the morning. "No one used to bother if we were still here at 2.30," my friend remarked ruefully. Logically therefore if things close earlier people will go to bed earlier and get up earlier. But in Spain the logical is not always the inevitable.

Weekend Brief

Bunny money

In the reverse of that famous C. Fields line—any man who hates animals and children can't be all bad—runs true then Victor Lownes, president of Playboy International, highest paid executive in the UK, and now the proud owner of the Victoria Sporting Club should be quite a nice guy. He has twenty three horses, seven dogs, two monkeys and a grandson he dotes on. "No-one would believe I was such a cute person, but its true I love animals and small kids," says Lownes, who this week, in a much-publicised coup bought the Victoria Gaming Club for six million pounds—in cash—and in small notes as well. "I've always been interested in horses—it's not something that just happened when I got rich. But obviously acquiring the money has enabled me to do something about it. I had a pony when I was a child, then I spent two years training to be a cavalry officer at the New Mexico Military Institute. That was during the war and we all had grand ideas about riding out with sabres rattling to fight the Germans. But when I graduated in 1941 the U.S. Army had decided to switch to tanks. When I came over here—he arrived in the UK in 1963 to run Hugh Hefner's Playboy operations in Europe—I bought some race horses and started a stable. I called it the No Chance stable after Elizabeth Arden's Main Chance stables and had a few horses. They all had bad luck names to discourage the punters—names like Sure Loser, Can't Win and Fallzot. But then I decided that I wasn't really physically involved with horses, just being in racing. I switched to cross-country events, and to hunting which meant that I was in there riding the horse." From his palatial, and again much-publicised country retreat, a 42-room mansion called Stocks in Hertfordshire, Lownes now hunts with the Whaddon Chase, the Quorn and the Bicestor, as well as competing in a Playboy-sponsored cross-country racing team. He also skis from a purpose-bought condominium in Aspen Colorado, plays squash—he is currently building his own courts, tennis on his own courts, and roller skates on his own skating rink. And he is half-way through learning to fly a helicopter to ease the journey from Stocks to the West End where he reckons he puts in a 12-hour day, at least, in his office above the Playboy Club in Park Lane.

Chinese checkers

Gone, at last, is that most irritatingly transparent myth: that there is no crime in China. The belief in the Chinese people's impeccable honesty took its spurious hold on the outside world in the early years of the country's tourist boom, when starry-eyed spectators of the Maoist spectacle of the returned home with stories of the discarded and undarnable socks that followed their half-way across China. Every airport lounge had its lost-property cabinet, filled with a sorry array of used toothbrushes and handkerchiefs awaiting claimants and testifying that no Chinese would appropriate another's belongings. Even today the diplomat who takes his bottle of wine in a plastic bag to a Peking restaurant will resolutely cram the empty bag into his pocket simply to save an anxious waiter a futile run down the street after the departing Mercedes.

Feeling the heat

Scientists working for Du Pont, the world's biggest fibre company, have recently completed what can only be described as down-to-earth research—how to deal with the problem of sweat generated by athletes' feet. After conducting test with basketball players from five U.S. high schools, they have come up with results which they believe challenge conventional wisdom and which could also provide man-made fibre makers with new opportunities. The problem Du Pont was confronted with was the automatic acceptance by the public that, particularly where any heat is going to be generated, natural fibres, because of their absorbency, were likely to be better than their man-made rivals. In periods of exertion—such as taking part in any active sports—the body's metabolic rate increases six-fold but skin moisture over the body as a whole goes up 50-fold. For just this reason doctors and coaches have tended to recommend natural fibre socks as best for keeping an athlete's feet dry and healthy. Du Pont tested the validity of the assumption by giving each basketball player one unmarked acrylic and one



Victor Lownes: paid in small notes

—moving between the two casinos he runs in Mayfair and various other night spots with a variety of exotic appendages: his most publicised partner this year so far has been the current Miss World, Miss Argentina. He also claims to have the world's largest private collection of erotic art. He says that the variety of his interests is what keeps him looking less than his 51 years, and fit enough to get by on four hours sleep a night. "I really believe in filling up my life. I keep telling myself this is not a rehearsal, this is the main event."

resultant investigation not only revealed a generally slack approach to security in the 111 shops run by the Xuanwu General Merchandising Company, but pointed to the extreme importance that Chinese business officials attach to protecting themselves from their light-fingered compatriots. Managers uncovered 70 security lapses in the 111 shops. In some up to 10,000 precious cotton coupons, a hard currency in the Chinese black market, were left unattended on counter-tops. In other cases, between 3,000 and 4,000 yuan (up to £1,250) in cash was left overnight in empty shops. In a nation of immaculately honest citizens this would hardly be important temptations. But the managers of the Xuanwu General Merchandising Company, realists to a man, were appalled and ordered immediate action. More than 20 extra watchmen—young, strong ones—were added to the staff. Elderly and infirm guards like the man who fell asleep at the department store, were replaced and the new men were told to walk around the stores all night or sit up and stay awake. Flimsy doors in 29 shops were reinforced and iron bars added to the windows of more vulnerable premises. There is one precaution about which the new breed of aggressively alert night watchmen will not need to be told. They will do automatically what every Chinese person does. He always padlocks his bicycle.

unmarked cotton or woollen sock to try out, revealed in a paper presented recently by Manchester University by Mr. D. Tanner of Du Pont's textile fibres department in Wilmington, Delaware, showed somewhat surprisingly that 85 per cent claimed in the end to prefer the man-made fibre sock over the grounds that it kept drier and felt softer. Yet, when the socks were subsequently weighed, the evidence seemed to suggest that the Orion acrylic sock was absorbing only half as much perspiration as the woolen and only 70 per cent as much as the cotton. But how could socks apparently keep feet drier and at the same time absorb less perspiration; and if the perspiration was neither on the foot nor in the sock, what had happened to it? One possible hypothesis—that feet clothed in Orion sweated less—was discounted after further tests on the athletes' feet, but another experiment which involved the taping of cobalt chloride to the outside of boots revealed what was happening. Perspiration was being transmitted three times as quickly to the outside of the boots, and hence into the atmosphere, through Orion than through cotton or wool socks. The reason for this is apparently that cotton swells to absorb moisture by around 45 per cent whereas acrylic hardly swells at all. The swelling itself however creates a barrier which the moisture finds it difficult to pass through to the other side. According to Du Pont the more swollen the fibre the more impervious the barrier. The findings—though they are certain to draw a rejoinder from cotton's research scientists—are very important for the man-made fibre industry, neatly standing on its head one of the principle arguments against synthetics—their low absorbency. The success of the tests with athletes' socks also led Du Pont to look into more complex active garments, such as tennis shirts. Here, too, in controlled tests the company found that a mixture of Orion and Dacron polyester staple—the former to provide softness and moisture transport, the latter for strength and easy care performance—scored over pure cotton and cotton-polyester by much the same margin as in socks. The main advantage given for the acrylic garment was a softer feel and the fact that it clung less while wet from perspiration and dried faster. To take advantage of these findings Du Pont has recently adapted a new trade-mark Bi-Nell to designate yarns containing a blend of Orion acrylic and Dacron polyester fibres, and the company is claiming to have won a large share of the market already for socks and other sportswear among sportsmen in the U.S. The product is now also being introduced into Europe and has been taken up by a number of spinners on the Continent. One major UK company is also doing development work with the yarns at present. The development does not mean that discarded nylon shirts can be fetched out again and will prove to be as comfortable in wear as the natural or blended fibre products—cotton and cotton-polyester—which now account for most of the shirt market. Nor does it mean that in all uses natural fibres will now face much greater competition. Contributors: Robyn Wilson, John Hoffmann, Rhys David

Economic Diary

TODAY: NATO starts three-day conference on European defence. Brussels. Fares on most air routes rise 9-15 per cent. Interest rate on investment accounts in National Savings Bank rises to 12 1/2 per cent. TOMORROW: British Steel Corporation raises prices of some steel products from 5-10 per cent. MONDAY: Central Statistical Office publishes Pink Book covering UK Balance of Payments 1979 edition. National Food Survey report on consumption (first quarter). Engineering workers start two-day strike. Twelve unions representing blue collar civil servants meet to discuss industrial action over pay dispute. Spillers four prices up by 8 per cent. Non-aligned nations start summit meeting in Havana. TUESDAY: Retail sales (July—final). UK official reserves (August). London clearing banks' monthly statement (mid-August). Capital issues and redemptions (during the month of August). UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-August). Hire purchase and other instalment credit business (July). Offshore Europe 79 conference opens in Aberdeen (until September 6). WEDNESDAY: Ceremonial funeral of Earl Mountbatten, Westminster Abbey. Mr. Jack Lynch, Irish Prime Minister, meets Mrs. Margaret Thatcher. President Sadat of Egypt visits Prime Minister Begin of Israel. Haifa. IMF auctions 444,000 ozs of gold, Washington. French Budget presented. THURSDAY: UK balance of payments (second quarter). Pro-

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Companies and Markets

BMK's recovery slackens in second six months

RECOVERY SLOWED in the second half of 1978-79 for Blackwood Morton and Sons (Holdings) following the upturn from a £172,390 pre-tax loss to £227,116 profit at half-time, the carpet manufacturer finished the year to June 30 with a £350,358 surplus compared with £304,938 deficit.

(£463,489) depreciation and interest up at £452,787 (£324,680). There was an extraordinary credit of £694,133 this time comprising mainly a £212,273 gain on the sale of the overseas subsidiaries, and prior years' deferred provisions no longer available of £481,860. For the previous 12 months there was an extraordinary debit of £251,546.

In his annual report last December the chairman Mr. K. M. Hamilton, said that no material improvement could be foreseen for the Canadian company, which produced almost entirely Wilton, and it had been found increasingly harder to compete in price with cheaper qualities of tufted and Axminster.

UK COMPANY NEWS

DIVIDENDS ANNOUNCED

Table with columns: Company Name, Current Dividend, Date of Payment, Corresponding Dividend, Total Dividend, Total Last Year. Includes Blackwood Morton, Church, Geo. Spencer, Stoddard, Wagon Finance, etc.

BIDS AND DEALS

Spillers rejects as Dalgety profits jump

THE BATTLE by Dalgety to take over Spillers was engaged in yesterday, Dalgety posted its offer document outlining the £70m bid and a strongly worded letter to its own shareholders inviting them to a special meeting to approve the move.

Meanwhile, the document reveals that turnover in the year to June last is estimated to have risen from £757m to £951m and pre-tax profits from £24.4m to at least £31m.

He was also concerned about the grocery products division at a time when the High Street is facing a continuing difficult trading period. Dalgety points to its own grocery business in the UK, with supermarket sales of £40m, as providing experience to support further growth in Spillers' grocery business.

Brit. Dredging chief wins but resigns

A bid to dismiss Mr. Bryan Clark as chairman of British Dredging failed narrowly by 53 votes to 47 at an extraordinary meeting of the company in Cardiff yesterday.

Church improves 42% midway -doubled dividend forecast

ON TURNOVER up from £11.13m to £13.27m, pre-tax profits of Church and Co., footwear manufacturer, improved by 42 per cent from £837,000 to £1.18m, for the first half of 1979.

Double the directors intend to double the year's dividend. The interim is raised from 1p to 2.5p net per 25p share, and a final of not less than 5p is forecast -last year's final payment was 2.5p.

The board states that results for the full year must depend largely on retail sales in the autumn. And recent price increases, due to a big rise in leather prices, coupled with the VAT increase, make it unlikely that the per cent advance in profits will hold for the rest of 1979.

KCA falls to £1m midway

REFLECTING the lower level of business in BW Mud, the drilling fluids outfit, first half 1979 profits, before tax, of KCA International, fell from £1.1m to £1.01m.

7.5p from Parker Timber

Parker Timber Group is lifting its dividend from 6.05p net to 7.5p after maintaining year-end taxable profits at £2.3m. At midway the group slipped from £1.37m to £1.29m.

On turnover ahead from £45.8m to £51.7m in the year to March 31 1979 the trading profit fell slightly from £3.2m to £2.18m.

Depreciation was £514,000 (£516,000) less £131,000 (nil) overprovision at the end of last year on adoption of revised rates. The interest charge was up from £208,000 to £402,000.

Current year starts well at Fitch Lovell

THE CURRENT year has started well for Fitch Lovell, the food group, reports Mr. G. Webster, chairman.

Decline at Wagon Finance

Profits of Wagon Finance Corporation fell in the half-year to June 30, 1979, and the interim dividend is being pegged at 0.625p net.

The taxable surplus declined from £1.31m to £88,802 on turnover ahead from £5.7m to £5.7m. The pre-tax profit was struck after tax charges well up from £1.15m to £2.44m.

But the Board says that amounts advanced under the new credit agreements in the first half were almost 18 per cent up on the corresponding period for 1978.

Stoddard advances

DESPISE INCREASED exchange losses and finance charges, tax on profits of Stoddard Holdings, carpet manufacturer, went ahead from £708,000 to £765,000 for the year ended May 31, 1979.

Table of Final Dividends for various companies including Aston (F.), Bentley, Centronical Estates, etc.

Table of Interim Figures for various companies including Beattie (James), Brush Petroleum Company, etc.

Weeks Petroleum on target and making share technical deal

Taxable profits of Weeks Petroleum, the Bermuda-based oil exploration company which was given a Stock Exchange listing in July this year, fell from a revised US\$3,686m to \$3,399m in the half-year to June 30, 1979.

The board states that revenue estimate in the listing document of \$16.24m for 1979 is still valid since Australian and U.S. revenues for the second half are expected to exceed those for first half by a significant margin.

Stationer gets £1.6m cash injection. Two companies, controlled by Midland British Gas and Prudential Assurance, have taken a joint minority stake worth £1.6m in the Swindon Letter-File Company.

Brentnall explains Loyds move

Explaining the reasons behind the sale of its UK general insurance broking and life and pensions business to Hogg Robinson Group, Brentnall Bead (Holdings) says that urgent steps needed to be taken to restore the profitability of the group.

The circular discloses that two actions have been commenced in the High Court by Hogg Robinson and Gardner Mountain International against Brentnall Bead International for the recovery of monies due to the latter in respect of insurance policies. The first is for approximately \$86,000 and \$1,500 in respect of which Brentnall Bead International has served a third party notice on Chiyora Fire and Marine Insurance.

Another action has been commenced in the Superior Court of San Francisco (California) by Auckland Export, Mason and Porter and New Zealand Distributing Company Incorporated against numerous insurance underwriters and certain insurance brokers, including Brentnall Bead International, for total damages of \$5,850m arising out of the underwriters' consideration solely on the grounds that they are associated companies of Brentnall Bead International.

More provisions needed to meet Greenbat discrepancies

Further provisions will be needed for discrepancies discovered in an important subsidiary, Greenbat, Sir John Lawson, chairman of Fairbairn Lawson, the engineering group, warned shareholders at yesterday's annual meeting.

He said that a further independent investigation had been completed and that discussions had been held with the group's advisers and bankers.

Major discrepancies were discovered early this year in Greenbat's management accounts. "The breakdown in the Greenbat accounting systems and controls turned out to be more extensive than was foreseen at the time and the situation has taken longer to investigate," he said.

Customagic sells lease for £1.4m

Gallaher the tenant of Customagic Manufacturing Company's former factory at Whitworth Street, Manchester, has acquired the head-lease of the premises for £1.4m. Customagic is a subsidiary of Moolays Investments. Full details of the transaction and of the effect on Moolays will be circulated to shareholders in due course.

Brown Bros./Dana. Brown Brothers Corporation has been informed that Dana Corporation has agreed to transfer its shareholding in Brown Brothers to a wholly owned U.S. subsidiary Dana Financial Holdings Incorporated. In turn Dana Financial has agreed to transfer the shares to a wholly owned UK subsidiary—Dana Engineering. The Dana group's holding in Brown Brothers is 69 per cent.

Handwritten Arabic text at the bottom of the page.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

Notable developments in the Bids and Deals sector were down to a trickle, but Tesco's 150p per share cash offer for Carriers and Merck's 415p per share offer for Algatec were both declared unconditional. Elsewhere, Derek Crouch, the open-cast mining contractor, entered into a joint venture contract with construction industry suppliers Brambles Industries of Australia with the formation of a joint company, Brambles Crouch, while Jardine Matheson agreed in principle to buy air and surface forwarding agent Industrial Freight from Hogg Robinson; it is Jardine's intention to merge IF's activities with those of Matheson Freight Services.

Slough Estates, through an 80 per cent U.S. subsidiary, bought 5.15 per cent of Bank America Realty Investors, a California real estate investment trust for \$3m. The purchase is said to be for investment and no bid is planned at present.

Company bid for	Value of share	Market price	Price before bid	Value of bid	Final Acc'ce Bidder date
Algatec Inds.††	415*	410	415††	22.6	Merck 12/9
Allen (Edgar)‡‡	89*	61	63	9.63	Aurora Hldgs., 12/9
Berwick Tempo	75*	78	68	1.26	Chrtb. Japhet & Associates
John Bright††	401*	39	43	4.29	—
Caplan Profile	130	130	143	8.78	—
Cartiers††	150*	148	134	19.4	Tesco
Finlas	182*	170	175	1.33	Challey Secs.
Industries	138*	136	120	23.6	Hanson Trust 7/9
Pye Holdings	180*	174	116	24.5	Phillips
Sanderson Kayser	80††	73	50††	4.80	GEI
Stemmen Hunter	83*	83	78††	8.00	Brit. Arkow
Spillers	47†	45†	39†	69.9	Dalgety 21/9

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. || Date on which scheme is expected to become operative. ** Based on 30/8/79. †† At suspension. ††† Estimated. §§ Shares and cash. †† Unconditional.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)	
Assam Trading	Mar.	1,410	(2,900)	26.3 (104.2)	10.0 (7.5)
Assoc. Dairies	Apr.	41,008	(28,202)	18.4 (18.6)	5.0 (0.85)
Benluna Inds.	June	480†	(286)	9.2† (8.5)	1.91† (1.71)
Brown Bros.	June	3,129	(3,134)	6.5 (6.3)	1.4 (1.62)
Crouch Group	Mar.	760	(449)	17.3 (14.0)	4.0 (2.97)
Deborah Services	Mar.	1,210	(1,040)	9.1 (8.1)	3.5 (1.87)
Saville Gordon	Apr.	1,450	(763)	12.0 (4.2)	2.44 (1.53)
Somportex	Apr.	176	(183)	10.4 (11.2)	4.5 (3.77)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends* per share (p)	
BBA Group	June	3,821	(3,711)	0.84 (0.7)
Blue Circle	June	20,800	(21,300)	3.8 (3.22)
Brammer (H)	June	2,730	(2,530)	1.8 (1.2)
Brianston Arrow	June	817	(381)	— (—)
Electrolux (UK)	June	6,699	(6,200)	— (—)
Fairclough Const.	June	4,070	(3,600)	1.85 (1.5)
Grovebell Group	May	102	(8)	0.5 (0.5)
Hse. Prop. London	June	79	(21)	1.0 (—)
IMI	June	13,600	(15,700)	1.9 (1.67)
Johnson Matthey	June†	5,656	(4,522)	— (—)
Leadbroke Group	July	16,685	(13,904)	8.7 (8.5)
Le Bas (Edward)	June	208	(253)	0.98 (1.01)
LEC Refrigeratn.	June	858	(527)	2.1 (1.68)
MacFarlane Grp.	June	802	(987)	1.35 (1.05)

Company	Half-year to	Pre-tax profit (£000)	Interim dividends* per share (p)	
Mixconcrete	May	242	(646)	1.55 (1.43)
Nash (Wm.)	July	207	(388)	5.5 (5.5)
Nash & Peacock	June	2,320	(1,500)	1.5 (0.87)
Nu-Swift Inds.	June	841	(506)	0.84 (0.72)
Pearl Assurance	June	3,050†	(2,350)†	5.0 (3.85)
Plessey	June†	13,170	(12,406)	— (—)
Quick Group	June	849	(669)	1.06 (0.88)
Robinson (Thos.)	June	176	(381)	0.82 (0.82)
Seol. Agricul. Inds.	June	1,800	(1,100)	5.75 (5.0)
Sharpe & Fisher	June	473	(435)	0.5 (0.42)
Slough Estates	June	4,490	(3,780)	0.9 (0.67)
Thurgar-Bardex	June	174	(222)	0.3 (0.22)
Stewart Wrighton	June	4,210	(4,770)	3.85 (3.6)

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue. † 18 months period.
† First quarter figures. ‡ Profit attributable. L Loss.

Scrip Issues

Associated Dairies: One for two.
Fegarty (E.): Three ordinary or three deferred shares for one ordinary.

Rights Issues

Estates Property Investment Company: One for four at 125p raising £4,577m.
* Approximate figure before expenses.

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ON WEDNESDAY, SEPTEMBER 5, 1979 AT 10.00 O'CLOCK IN THE MORNING

The Official Receiver (Betriebsverwaltung) Winterthur, Kreis I, is putting up for forced sale on its premises at Neustadtstrasse 17, 8400 Winterthur, Switzerland, against cash payment or against bankers' cheque of one of the 1836 Swiss banks in Winterthur.

10 Warrant of order (warehouse receipts) covering about 50,000 kg each of raw-coffee warehoused in the Port Autonome of Marseille, France.

10 Houters is overhauled to ontvanging (warehouse receipts) covering about 50,000 kg each of raw-coffee, warehoused since early 1976. Total value per 15.75 about US\$2,800,000.

Total about 850,000 kg of Angola Robusta raw-coffee warehoused since early 1976. Total value per 17 lots is available for inspection at our premises from August 27, 1979. The terms and conditions for this public sale are available at the same time.

Winterthur (Switzerland), August 25, 1979.
Betriebsverwaltung Winterthur I.
P. Angst

CORAL INDEX: Close 462-467

INSURANCE BASE RATES

† Vanbrugh Guaranteed 11.00
† Property Growth 11.00
† Address shown under Insurance and Property Bond Table.

ONE OF the world's most exquisite hotels, the Princess, in Bermuda (centre) epitomises the golden touch of perhaps the richest man in the world. Its elegant suites, gourmet cuisine and varied facilities reflect the wealth of its owner — yet hide the fanatical devotion to secrecy of double-billionaire Mr.

LIMELIGHT ON THE SECRET BILLIONAIRE

Rowland in surprise link-up with Ludwig

BY JOHN MAKINSON

A MOST unexpected marriage was announced yesterday afternoon, bringing into the limelight a man who prefers to stay firmly in the shade: Mr. Daniel K. Ludwig. A side from the odd oil sheik, Mr. Ludwig is probably the richest man in the world.

His partner is Mr. "Tiny" Rowland, no stranger to the City, and their coming together will doubtless be a source of gossip around golf-courses and dinner-tables over the weekend.

Mr. Ludwig has a bewildering array of commercial interests, including a chain of Caribbean resort hotels collected under the impressive title of Princess Properties International Limited. For \$81m and 5m Lonrho shares, Mr. Ludwig has agreed to sell a 50 per cent stake in this business to Lonrho.

It may come as a surprise to learn that Mr. Rowland and Mr. Ludwig know one another, given that the American has a reputation for solitude and seclusion, but it appears that they are fast friends and mutual admirers.

Mr. Paul Spicer, Mr. Rowland's deputy, says: "Tiny admires Ludwig enormously, and adds that, during negotiations, 'they got on so well they talked in shorthand.' The press has never been so lucky and has rarely spoken to Mr. Ludwig, even in longhand.

The basis for friendship is there. Both men are known for their entrepreneurial spirit and boundless energy. Mr. Ludwig, a sprightly 81, still takes all-night plane trips, inspects his 5,800 square miles of Brazilian jungle on foot, and swims daily. Both men made their fortunes and reputations, in contrasting but highly individual styles, as traders. Mr. Ludwig made his first billion in shipping and Mr. Rowland accumulated his own

Daniel Ludwig (right), with his liking for cheap suits, modest travel and carrying his own baggage. Now his new partner, Mr. "Tiny" Rowland (left), the colourful head of Lonrho, joins him in a business empire that will excite the business capitals of the world.

Rowland in surprise link-up with Ludwig

— comparatively modest — wealth through trading with Africa.

Their interests are international and to a great extent complementary. Mr. Ludwig operates principally in the Americas, the Far East and Australia; Mr. Rowland, in Europe and Africa. Between them, they span the globe.

It is a measure of the scope of their operations that Mr. Spicer, in describing the deal, spoke not of countries, nor of continents, but of hemispheres. He said, for example, that Mr. Rowland believes "it's the right time to be in the Western hemisphere."

The deal announced yesterday could be the starting point for something even bigger, according to Mr. Spicer. It may be significant that Mr. Ludwig is taking a slice of Lonrho as part of the agreement. Mr. Ludwig shows no sign of fading but, in his eighties, he may feel the time is right to find an heir-apparent for at least some of his enterprises.

The most striking aspect of the whole operation is that Mr. Ludwig has agreed to accept participation by anyone. His guiding principle has always been to have complete control of his businesses and, with a net worth estimated at over £200m, he can hardly be desperate for Lonrho cash.

His business career began after he had left school at the age of nine, with the raising and repair of a sunken 26-foot boat which he then rented out. His shipping interests expanded slowly through during the 1920s and 1930s and it was only in the few years before the second world war that they blossomed.

The growth of the world oil trade enabled him to obtain loans from U.S. banks against

Fitch Lovell

* The Group's principal operations span the food industry — manufacturing, wholesale, retail, growing and processing of poultry and marine farming.

* AGM — The Connaught Rooms, Great Queen Street, WC2. 27th September 1979 at 12 noon.

The City of London Brewery and Investment Trust Limited

Total Assets at 30th June, 1979: £453 million.

The net dividend has been increased by 18.1%. The average yearly rate of gross dividend increase has been 11.5% over 10 years and 18.7% over 3 years compared with equivalent increases in the Retail Price Index of 12.4% and 12.2% respectively. It is the intention at least to mitigate the effect of inflation.

Lord Remnant, Chairman

A member of the Touche, Remnant Management Group.

Total funds under management exceed £800 million.

Copies of the Report and Accounts can be obtained from The Secretary, The City of London Brewery and Investment Trust Limited, Winchester House, 77 London Wall, London EC2M 1BH.

EUROPEAN OPTIONS EXCHANGE

Series	Vol.	Oct. Last	Vol.	Jan. Last	Vol.	April Last	Stock
ABN C F.340	1	1.50	—	—	—	—	F.534
ACZ C F.210	1	1.50	—	—	—	—	F.30.80
ARB C F.230	1	1.50	—	—	—	—	F.75.30
ASF C F.440	1	1.50	—	—	—	—	F.430.10
HC C F.50	15	3.20	—	—	—	—	F.23
KLM C F.100	8	7.80	—	11.90	—	—	F.107
KLM C F.110	22	2.80	—	6.70	—	—	—
KLM C F.120	10	0.90	—	—	—	—	—
KLM C F.130	1	0.80	—	—	—	—	—
KLM C F.140	10	4.40	—	2.60	—	—	—
KLM C F.150	2	1.4	—	—	—	—	—
NET C F.110	2	6.80	—	—	—	—	F.115.50
PH C F.50.00	178	1.60	—	5.10	—	—	F.51.10
PH C F.52.50	106	0.40	—	0.90	—	—	F.25.50
PH C F.55	15	1.30	—	1.40	—	—	—
PH C F.57.50	1	1.20	—	—	—	—	—
PH C F.140	10	11.80	—	12.70	—	—	F.150.80
PH C F.150	1	1.50	—	—	—	—	—
RD C F.150	142	3.10	—	18	—	—	—
RD C F.160	30	0.60	—	119	—	—	—
RD C F.165	2	2.40	—	—	—	—	—
RD C F.180	4	8.50	—	—	—	—	—
UNI C F.135	—	—	—	1.80	—	—	F.145.00

Nov. Feb. May
Dec. 54
10 4
10 4
2 2
1982

TOTAL VOLUME IN CONTRACTS
C=Call P=Put

Highlights 1978/79

From the Annual Report & Accounts for the year ended 28th April 1979.

- * 43% increase in Group profit before tax from £6.181m to £8.817m.
- * Ordinary Dividend Recommended Final — 3.3677 1p (net) Total for 1978/79 increased by 10% (gross).
- * Strengthening performances from operations which have received the major proportion of recent investment.
- * Increased contribution from non-food activities.
- * Search for acquisitions continues.
- * Current year "has begun well".

Copies of the Annual Report & Accounts may be obtained from The Secretary, Fitch Lovell Limited, 1 West Smithfield, London EC1A 9LA (01-248 6431).

WORLD STOCK MARKETS

Companies and Markets

Early gains on Wall St.

INVESTMENT DOLLAR \$2.60 to \$1.284 (28 1/2) ... MODERATE GAINS were scored in pre-holiday trading on Wall Street yesterday...

Global was named by the U.S. Geological Survey as one company with the capability to do the deep water drilling needed to exploit possible reserves of the U.S. East Coast.

The Oil and Gas Index moved up 32.1 to 3,013.9, Metals and Minerals 16.6 to 1,507.3, Utilities 1.16 to 243.57...

UK stocks higher, Germans, U.S. and French lower, Dutch mixed, Canadians little changed, Gold Mines lower.

NEW YORK

Table with columns: Stock, Aug 30, Aug 29. Lists various stocks like Johnson Controls, IBM, etc.

STOCK

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CANADA

Table with columns: Stock, Aug 30, Aug 29. Lists Canadian stocks like Abitibi Paper, Alcan, etc.

Closing prices and market reports were not available for this edition.

Common Index, at 883.32, gained 12 cents on the day and 38 cents on the week. Advances led declines by a seven-to-five majority...

MILAN - Mixed to higher in fairly active trading. Financials narrowly mixed.

PARIS - Narrowly mixed in less active trading. Oils eased, Investments, Constructions, Electricals and Steels irregular.

AMSTERDAM - Higher in quiet trading. Dutch Internationals firmer.

BRUSSELS - Mostly higher in quiet trading.

AUSTRALIA - Very strong with local investors leading a shift to major metals and selected Energy stocks.

HONG KONG - Higher, with Hang Seng Index up 4.38 at 581.77, led by Properties.

PEKING - 16 cents to AS\$12. Uranium leader Fentennial rose 80 cents to AS\$150.

JOHANNESBURG - Gold shares continued to drift easier in restrained trading ahead of long weekend.

Indices

NEW YORK - DOW JONES

Table with columns: Date, High, Low, High, Low. Shows Dow Jones index values from Aug 29 to Aug 30.

STANDARD AND POORS

Table with columns: Date, High, Low, High, Low. Shows Standard and Poors index values from Aug 29 to Aug 30.

Rises and Falls

Table with columns: Issues Traded, Rises, Falls, Unchanged, New Highs, New Lows.

MONTREAL

Table with columns: Date, High, Low, High, Low. Shows Montreal index values from Aug 29 to Aug 30.

TORONTO Composite

Table with columns: Date, High, Low, High, Low. Shows Toronto Composite index values from Aug 29 to Aug 30.

JOHANNESBURG

Table with columns: Date, High, Low, High, Low. Shows Johannesburg index values from Aug 29 to Aug 30.

THURSDAY'S ACTIVE STOCKS

Table with columns: Stock, Change. Lists active stocks and their price changes.

GERMANY

Table with columns: Stock, Price, Div. Yld. Lists German stocks and their prices.

AUSTRALIA

Table with columns: Stock, Price, Div. Yld. Lists Australian stocks and their prices.

F.T. CROSSWORD PUZZLE No. 4062. A prize of £5 will be given to each of the senders of the first three correct solutions.

RACING BY DOMINIC WIGAN

Take a chance on speedy Andy Rew. SANDOWN HAS again cut up disappointingly - presumably due to ground riding on the fast side of good at best - and both the Sportsman Club Handicap and the William Hill Handicap have been hard-hit through late withdrawals.

Crossword puzzle grid with numbers 1-29 indicating clue positions.

- 1 Cleaver fuel for the barbecue (8)
2 Fashion one third-rate pick-me-up (5)
3 The establishment of spinkers (3, 6)
4 Desert female? You bet (6)
5 Plane with some hot concoction (7)
6 Leafy friend returning cover in hand (7)
7 Queue for winning pools entry (4, 2)
8 Attack taking place before Scots leader left anything (9)
9 Beginning at the expense of firm (5)
10 Exact notice attached (4, 2)
11 Foot cut with children's story-book character (3-5)
12 Conflict by the way common (6)
13 Daring variety I printed (8)
14 Clever artist taken in by junior minister (6)
15 Better position sought by players at 40 (8)
16 Stomach upset officer in charge (6)
17 A superior kind of assistant (6)
18 The clue to defeat with two to play of course (5, 4)
19 Go all out for prize piano (5)
20 More profound eastern writer in action (8)
21 Nothing to drink up at work (4)
22 Detain an idiot upset at 15
23 Bound to remain incompetent (4, 5)
24 Bound to take sound credit to the top (7, 2)
25 Giant company lands deficit on you and me (8)
26 Parent turns up for example with attendant (4)
27 Fail to find a tenant for hill (13, 4)
28 Didn't go for sober sound (4)
29 River seen on trip to the south (5)
30 Admit with some hesitation to being a member of property (5)
31

SANDOWN
1.30-Falcon's Revenge
2.00-Sofronoff
2.30-Andy Rew*
3.00-Stanislawsky***
3.35-La Iceolina
4.10-CHESTER
1.45-Saber
2.15-Monief
2.45-Lindale
3.15-Corlidge
3.45-Robelin
4.15-Belmont Bay
4.45-New Tempo

It is a further point in his favour that the ground will be riding firm unless there is more than a light shower in the Escher area.

Stanislawsky was backed as if defeat was almost out of the question in Salisbury's Whitechurch Stakes on August 16, being forced to 2-1 on favourite from 8-15. The Ryan Price-trained juvenile did his utmost to justify stable confidence but close home he proved a little

A strong bay six year old by Lear Jet. Andy Rew has the physical build to defy a stone 6 lb even in today's speedy company.

It is a further point in his favour that the ground will be riding firm unless there is more than a light shower in the Escher area.

seven-furlongs of the Ganca Stakes will prove to his advantage. I shall back Stanislawsky again. He would have won at Goodwood on his introduction but for a piece of over-confident riding by Brian Taylor, the stable jockey.

GERMANY

Table with columns: Stock, Price, Div. Yld. Lists German stocks and their prices.

AUSTRALIA

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PARIS

Table with columns: Stock, Price, Div. Yld. Lists Paris stocks and their prices.

TOKYO

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SWITZERLAND

Table with columns: Stock, Price, Div. Yld. Lists Swiss stocks and their prices.

AMSTERDAM

Table with columns: Stock, Price, Div. Yld. Lists Amsterdam stocks and their prices.

VIENNA

Table with columns: Stock, Price, Div. Yld. Lists Vienna stocks and their prices.

OSLO

Table with columns: Stock, Price, Div. Yld. Lists Oslo stocks and their prices.

STOCKHOLM

Table with columns: Stock, Price, Div. Yld. Lists Stockholm stocks and their prices.

COPENHAGEN

Table with columns: Stock, Price, Div. Yld. Lists Copenhagen stocks and their prices.

SOLUTION TO PUZZLE No. 4061

Grid solution for puzzle No. 4061 with words like MAMMOTH, MAMMOTH, MAMMOTH.

SPAIN

Table with columns: Stock, Price, Div. Yld. Lists Spanish stocks and their prices.

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

OCBC bids for trust services company

By George Lee in Singapore
OVERSEAS Chinese Banking Corporation (OCBC), the major Singapore bank, is making a takeover bid worth S\$1.37m (US\$658,541) for British and Malayan Trusts (BMT).

OCBC together with four of its subsidiaries, Eastern Realty Company, Associated Investments and Securities (PTE), Four Seas Communications Bank and the Bank of Singapore, is offering S\$4.50 cash for each BMT share.

BMT, which is involved in providing trustee services, has an issued capital of 304,100 S\$1 par value shares, all of which are 50 cents paid. OCBC and two of the subsidiaries have to date acquired 130,900 shares, or 43 per cent of the issued capital.

OCBC said that its offer is conditional on acceptances being received in respect of not less than 21.151 BMT shares. This, together with its existing holdings, will result in the OCBC group owning more than 50 per cent of BMT's issued capital.

Canon ups target
CANON, the Japanese camera and business machine group, is revising upwards its after-tax profit forecast for 1979 to Y9,200bn (\$40.7m) from the Y8bn estimated earlier this year.

The revision follows higher-than-expected increases in sales of high-grade cameras, copying machines, and desk-top calculators, the company explains.

The First Viking Commodity Trusts
Commodity OFFER 37.0xd Trust BID 35.2

Commodity & General Management Co Ltd
10-12 St George's Street
Douglas Isle of Man
Tel: 0624 25015

All sectors contribute to increase at Novo Industri

BY OUR FINANCIAL STAFF

NOVO INDUSTRI, the Danish pharmaceutical and biochemical company which obtained a London share listing almost a year ago, has reported a 63 per cent jump in after-tax profits to Dkr 57m (\$10.5m) for the six months to June 30.

Total sales rose by 33 per cent to Dkr 604m. The company said that all major product groups contributed to the growth, with the pharmaceutical division recording a 30 per cent sales increase and the strong division a 20 per cent lift.

The directors said the strong first half was due to particularly good trading conditions in the first half and cautioned that, given the outlook for world trade and the U.S. economy, the rate of profit growth was unlikely to be maintained.

Nevertheless, the board expects that sales in the full year will show a significant improvement on 1978 and that the pre-tax profit in the absence of unforeseen circumstances could rise at current exchange rates by as much as 25 per cent to 35 per cent on last year's figure.

In 1978, profits at the pre-tax level slipped from Dkr 103m to Dkr 97m and dropped well short of the forecast range of Dkr 105m to Dkr 125m made at the time of the London listing. The company said exchange rate changes in the final quarter of 1978 cut the value of sales and cost the company around Dkr 15m at the pre-tax level.

Investment in new plant capacity, environmental and safety measures amounted to Dkr 57m against Dkr 79m during the first half of 1978.

The company said the new enzymes plant in North Carolina has come on stream during the first half of 1978, and the new insulin filling plant in Copenhagen is going through trial runs.

The construction of a new enzymes plant in Copenhagen, the approval of which has been delayed by the environmental authorities for two years, has commenced. The plant is expected to go into production at the end of 1980.

Costs relating to research and development, quality control and technological support totalled Dkr 59m compared with Dkr 53m during the first half of 1978. Maintenance and repairs cost the company Dkr 24m against Dkr 20m in share of Dkr 100 nominal value the first half of last year.

The adjusted earnings per B share were 92.3 which was well ahead of last year's interim figure of Dkr 15.6.

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Major new orders for Volker Stevin

By Our Financial Staff
VOLKER STEVIN, the Dutch contractor and dredging group, announced yesterday that it has received new orders worth F1375m (\$187.6m) in the past week.

The dredging division has received orders from clients in Western Europe and West Africa, and the pipeline division has attracted orders from the Middle East and North Africa. The general building division has received a new order from Brazil.

The group was formed just over a year ago, as the result of the merger of the Koninklijke Adriaan Volker Groep and the Stevin Groep. One of the prime motives for the merger was to make the new group competitive with larger rivals for international construction and dredging contracts.

In seeking the larger projects, the directors felt that a key factor in successful tendering was an ability to offer the sort of financial assistance that a large group could provide.

Setback for Buehmann
AMSTERDAM—The Dutch paper manufacturer and trading group suffered a 8.7 per cent decline in net profit to F1 16.7m (\$8.4m) in the first half, from F1 18.3m a year earlier.

The consolidated figures include the results of the company's new-made Belgian subsidiary, Papierfabriek de Mont Saint Guilbert, excluding the results of the paper company, which reported a loss of F1 8.5m in the first half, net income amounted to F1 22.2m.

Buehmann's net profit was down 10.2 per cent on the previous year, mainly because of power and coking coal shortages. However, the turnover was better because the Government had raised the retention price of steel on June 5, by R175 per tonne and its benefits were reflected in the first five months of the year.

The outlook for Tata Iron and Steel Company (Tisco) during the current year ending March 1980, depends largely on a Government decision on prices, according to Mr. J. R. D. Tata, chairman of the company.

Mr. Tata told the annual meeting in Bombay that costs had been increased by higher prices for coal, petrol and the increased wage bill. Tisco and other public sector steel companies have asked for a rise in steel prices, Mr. Tata said.

The wage settlement, with Tisco's effective from September 1, and cost the company at least \$220m (\$300m). Cost prices were increased by the Government a few months ago. Mr. Tata said that the company's performance in the first five months of the current year indicated a drop of 50,000 tonnes compared with the same period of the past year, mainly because of power and coking coal shortages.

Chrysler cuts management salaries in economy move

BY JOHN WYLES IN NEW YORK

CHRYSLER Corporation plans to save at least \$2.2m on its annual executive wage bill by cutting the salaries of up to 1,700 executives.

The cuts announced yesterday will range from 2 per cent on salaries up to \$80,000 a year, and 5 per cent on all those above that sum except for corporate executive vice-presidents, who will lose a 10 per cent slice off their pay.

The reductions will become effective today and may last as long as two years, depending on the progress of the company's attempt to become profitable again. The salary squeeze on middle and senior Chrysler managers came a day after Mr. John J. Riccardo and Mr. Lee Iacocca, chairman and president respectively, announced that the interim cut would be reduced from \$360,000 a year to \$1 until Chrysler moves out of the red.

Mr. Riccardo, however, will continue to receive deferred bonus payments worth \$117,740 in 1980 and \$22,560 in 1981. Mr. Iacocca, meanwhile, will receive the balance of a \$1.5m payment Chrysler agreed with him as compensation for the loss of special payments from Ford Motor Company, where he was president until last July.

Total savings from these salary cuts will be close to \$30m in a full year. Financially, the significance is minor in the context of Chrysler's overall financial problems—its losses this year may well exceed \$800m.

But the tightening of executive belts is a further move designed to convince the Administration and, ultimately, the Congress that Chrysler was a worthy candidate for propping up with Federal loan guarantees. The company has already cancelled its shareholder's dividend and the final segment needed for this picture of sacrifice is an agreement with the United Auto Workers union on the company's request for a two-year freeze on manual workers' wage costs. Unlike management cuts, this cannot be imposed, and the UAW has until now been strongly opposed to the idea.

Meanwhile, Chrysler's plans for a recovery based on the provision of Federal loan guarantees may be lodged with the Administration late next week or early the week after. If they receive speedy approval, legislation on the guarantees will be drafted and sent to the Congress. Initially, Chrysler had hoped that a loan guarantee programme might be available from October 1, but that timetable may soon seem optimistic.

Ames's net profit was down 10.2 per cent on the previous year, mainly because of power and coking coal shortages. However, the turnover was better because the Government had raised the retention price of steel on June 5, by R175 per tonne and its benefits were reflected in the first five months of the year.

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\$260m credit agreement for Amdahl

SUNNYVALE—Amdahl Corporation has signed a \$260m multi-currency credit agreement with a group of 13 international banks.

The company said that the agreement provides an unsecured revolving line of credit and supersedes a previous \$100m loan it had with six U.S. and European banks.

The new credit line extends until the end of 1981, at which time Amdahl has the option to convert outstanding borrowings up to \$200m into term notes payable in instalments until 1984, the company said. Interest on domestic borrowings during the revolving period is at the prime rate and is subject to slight increases during the period.

Amdahl said that the agent bank for the agreement is Bank of America in association with Citibank, Chemical Bank, Continental Illinois Bank, Crocker National Bank, Manufacturers Hanover Trust and Security Pacific National Bank.

European and Canadian participants include Allgemeine Bank Nederland, Banco di Roma, Credit Lyonnais, Credit Suisse, Dresdner Bank and Toronto Dominion Bank.

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Rise in interim profits for Dutch insurers

BY OUR FINANCIAL STAFF

TWO LEADING Dutch insurance companies, Amfag Groep and Amev, have reported first half net profit improvements of around 15 per cent.

Amfag's net profit was up 15.2 per cent to F1 47.6m (\$23.8m) against F1 41.0m last year. Amfag's latest interim net profit was F1 18.82m compared with F1 16.48m a year ago.

Amfag said that all sectors contributed to its higher first half results. The life assurance contribution was again favourable despite the somewhat lower profit realised on investments, the company said.

In the indemnity insurance sector, there still remains the need for regular adjustment in rates to higher costs and damage claims, Amfag said. Premium increases agreed by the government are still insufficient for the desired further improvement in results in the sector. However, the total company said that it still expects net profits for the full year to be at least 10 per cent up on 1978's figure of F1 33m.

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The First Viking Commodity Trusts
Commodity OFFER 37.0xd Trust BID 35.2

Commodity & General Management Co Ltd
10-12 St George's Street
Douglas Isle of Man
Tel: 0624 25015

Borel reorganises hotel interests under Sofitel

BY DAVID WHITE IN PARIS

THE FRENCH catering group Borel International is reorganising its hotel interests. The main reason for its fall from grace as a glamour stock three years ago.

Sofitel, the luxury chain bought by M. Jacques Borel at the height of his spectacular career in 1975, is to become an umbrella company grouping all the company's hotel offshoots.

The operation will mean reducing the number of subsidiaries in the sector from 36 to 14, all of which will be brought under one company.

In the first stage, Sofitel and Compagnie des Hotels Jacques Borel will absorb most of their respective subsidiaries. The latter company will then absorb Sofitel, and take on the name Societe Internationale des Hotels Sofitel.

The parent company, which M. Borel left in 1977, after the group's rapid expansion had come to a halt, said that Sofitel's results were steadily improving and that the chain had had a positive cash flow since last year.

Investment in new plant capacity, environmental and safety measures amounted to Dkr 57m against Dkr 79m during the first half of 1978.

The company said the new enzymes plant in North Carolina has come on stream during the first half of 1978, and the new insulin filling plant in Copenhagen is going through trial runs.

The construction of a new enzymes plant in Copenhagen, the approval of which has been delayed by the environmental authorities for two years, has commenced. The plant is expected to go into production at the end of 1980.

Tisco awaits official move on price levels

By K. K. Sharma in New Delhi

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Mr. Tata told the annual meeting in Bombay that costs had been increased by higher prices for coal, petrol and the increased wage bill. Tisco and other public sector steel companies have asked for a rise in steel prices, Mr. Tata said.

The wage settlement, with Tisco's effective from September 1, and cost the company at least \$220m (\$300m). Cost prices were increased by the Government a few months ago. Mr. Tata said that the company's performance in the first five months of the current year indicated a drop of 50,000 tonnes compared with the same period of the past year, mainly because of power and coking coal shortages.

However, the turnover was better because the Government had raised the retention price of steel on June 5, by R175 per tonne and its benefits were reflected in the first five months of the year.

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However, the turnover was better because the Government had raised the retention price of steel on June 5, by R175 per tonne and its benefits were reflected in the first five months of the year.

Poor start for Swissair

ZURICH—The latest OPEC oil price increase, the grounding of its DC-10s and the strength of the Swiss franc reduced Swissair's gross profit in the first half of 1979.

Gross profit declined by 38.3 per cent to SwFr 70.1m (\$42m) from SwFr 113.7m a year earlier.

Total costs in the reporting period were up by 44 per cent to SwFr 1,066m from SwFr 736m in the comparable period of last year while revenue rose by 0.1 per cent to SwFr 1,130m (\$685m).

The grounding of the DC-10s cost Swissair some SwFr 13m. The company noted that although the foreign exchange market was relatively stable in the first half, the Swiss franc level against other currencies was well above that of a year earlier.

Swissair noted that the recent price increases decided by the International Air Transport Association could not offset higher fuel costs.

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AMERICAN MARKETS

NEW YORK, August 31

THE HISTORICAL high levels in the precious metals market were broken last night as the silver price fell below \$100 an ounce for the first time since 1975.

The silver price fell to \$97.50 an ounce, down from \$100.00 on August 29. The gold price was steady at \$320.00 an ounce.

The oil price was steady at \$10.00 a barrel. The wheat price was steady at \$1.50 a bushel.

The stock market was mixed. The Dow Jones Industrial Average was up 1.50 points to 1,150.00.

The bond market was steady. The 10-year Treasury note was up 1/8 cent to 115 1/8.

The foreign exchange market was steady. The dollar was up 1/4 cent to 166 1/4.

The commodity market was mixed. The soybean meal price was up 1/4 cent to 11.50.

The futures market was mixed. The corn price was up 1/4 cent to 1.50.

COMMODITIES/REVIEW OF THE WEEK

Hurricane fears lift world sugar market

World sugar values advanced further yesterday following fears of damage to Caribbean crops by hurricane "David". It is far from certain yet just how badly sugar crops have been affected. Dominica, a small producer, claimed over 70 per cent of its crops had been destroyed.

But in other countries the current sugar crop has been mainly harvested so damage done may be confined to stocks in store or newly-planted cane.

Nevertheless there is considerable nervousness in the market, which triggered off covering of previous sales and brought in speculative buying.

"Bullish" sentiment was further encouraged by news of big Japanese purchases recently, and a reduction of 1 cent to 2.36 cents a lb in the U.S. import fee that may make deliveries from the world market more competitive.

F. O. Licht, sugar statistician, this week raised his estimate of final stocks at the end of the 1978/79 season to 21,265,000 tonnes—equal to nearly 35 per cent of annual consumption. But the adjustment was mainly to take account of more reliable information from China and London merchants. C. Czarnikow, yesterday predicted a fall in stocks in the 1979/80 season.

The cocoa and coffee markets were relatively featureless.

December delivery cocoa moved 25.75 lower to £1,356.5 a tonne, reflecting the continued strength of sterling. This was despite a 15 rise yesterday prompted by pre-weekend covering in the absence of fresh producer selling.

In Accra yesterday the Ghana Cocoa Marketing Board said it purchased 1,155 tonnes of cocoa in the sixth week of the current mid-crop season (ended August 30) taking the cumulative total to 10,994 tonnes. At the same time last year, after 13 weeks, the total stood at 7,887 tonnes.

MARKET REPORTS

BASE METALS

COPPER—Last goods in the London Metal Exchange but volumes were moved drastically. Prices moved marginally. Forward metal moved to £224, starting at the high and closing on the late Korb at £219. Turnover 19,025 tonnes.

NICKEL—Higher in this trading. Forward metal began at £2,655-50 and moved through to £2,620, starting late Korb at £2,655. Turnover 198 tonnes.

ZINC—Higher in this trading. Forward metal began at £2,655-50 and moved through to £2,620, starting late Korb at £2,655. Turnover 198 tonnes.

LEAD—Firm after forward metal had traded between £240 and £244 and closed sharply at £244. There was a slight fall at the end of the afternoon ring, but forward metal ended the day at £244. Turnover 4,800 tonnes.

On the London coffee futures market, meanwhile the November position rose \$30 to \$1,580.1 a tonne, mainly reflecting support buying by the Bogota producers' group.

There was a general upsurge in metal markets this week with the exception of yesterday, led by sharp rise in gold and silver to record levels and a strong performance by copper and tin.

On the London bullion market the spot quotation for silver reached a record of 462.2p an ounce on Thursday before easing yesterday to 458.25p until 19.5p up on the week. Prices fluctuated wildly yesterday following feverish trading activity in the London Metal Exchange before closing on a firm note at 455.45p despite a decline in the gold market.

Tin prices also moved up strongly in anticipation of a renewed squeeze on supplies. Cash tin gained 167.5p on the week re-establishing a small premium over the three months quotation.

WEEKLY PRICE CHANGES

Table with columns: Commodity, Latest price, Change on week, Year ago, High, Low.

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Table with columns: Commodity, Latest price, Change on week, Year ago, High, Low.

Table with columns: Commodity, Latest price, Change on week, Year ago, High, Low.

Table of stock prices under 'T-U-V' section, listing various companies and their share prices.

Table of stock prices under 'W-X-Y-Z' section, listing various companies and their share prices.

Table of stock prices under 'A-Z' section, listing various companies and their share prices.

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Table titled 'LOCAL AUTHORITY BOND TABLE' showing interest rates and terms for various local authority bonds.

Table titled 'BUILDING SOCIETY RATES' showing interest rates and terms for various building societies.

Table titled 'PROPERTY (34)' listing various property listings and details.

Table titled 'UNIT TRUSTS (4)' listing various unit trusts and their details.

Table titled 'MISCELLANEOUS (67)' listing various miscellaneous items and their prices.

Table titled 'RUBBER (9)' listing various rubber products and their prices.

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CURRENCIES, MONEY and GOLD

UK MONEY MARKET: Bank of England Minimum 35 per cent and above in full. Lending Rate 14 per cent.

EXCHANGES AND BULLION: Sterling and the dollar were firm in quiet foreign exchange trading.

Table titled 'OTHER MARKETS' listing various market rates and prices.

Table titled 'THE POUND SPOT AND FORWARD' showing exchange rates for the pound.

Table titled 'LONDON MONEY RATES' showing various financial rates in London.

Table titled 'EURO-CURRENCY INTEREST RATES' showing interest rates for Euro-currency.

Table titled 'CURRENCY MOVEMENTS' showing movements in various currencies.

Table titled 'CURRENCY RATES' showing various currency exchange rates.

Table titled 'EEMS EUROPEAN CURRENCY UNIT RATES' showing ECU unit rates.

Table titled 'EXCHANGE CROSS RATES' showing cross rates between various currencies.

Table titled 'UK CONVERTIBLE STOCKS 31/8/79' listing convertible stocks.

Table titled 'UK RAILWAYS (2)' listing railway companies and their details.

Table titled 'FOREIGN RAILWAYS (2)' listing foreign railway companies.

Table titled 'SHIPPING (26)' listing shipping companies and their details.

Table titled 'TEA (4)' listing tea products and their prices.

Table titled 'TELEGRAPHS (3)' listing telegraph services and their rates.

Table titled 'CANALS (3)' listing canal services and their details.

Table titled 'STATISTICS PROVIDED BY DATA STREAM' showing various statistical data.

Table titled 'STATISTICS PROVIDED BY CHEAP' showing various statistical data.

Table titled 'STATISTICS PROVIDED BY CHEAP' showing various statistical data.

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The Gilt Edged Investment

1980
FINANCIAL
TIMES
DIARY

Courtesy of Chubb & Sons Lock and Safe Co Ltd

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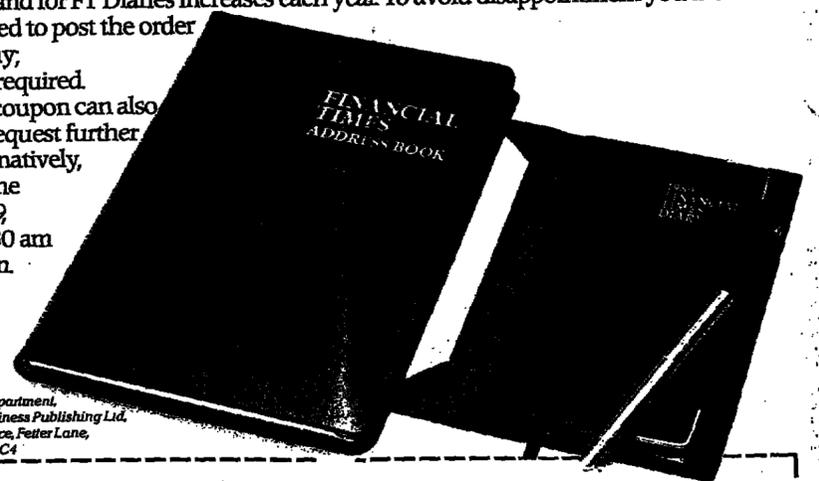
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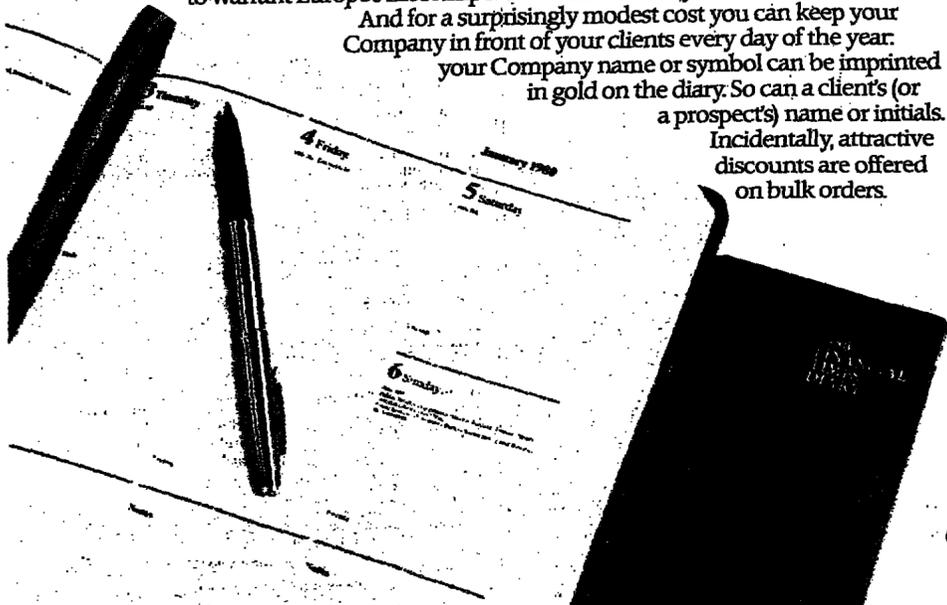
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السنة الأولى

BOOKS

Dutch courage

BY C. P. SNOW

The Boer War by Thomas Pakenham. Weidenfeld and Nicolson, £10.00, 658 pages.

Thomas Pakenham's The Boer War is not only a magnum opus, it is a conclusive work. It would require an abnormally conceited person, or one besotted by nationalist fanaticisms, to write another book on the subject. It will be pleasant for us all to sit back and congratulate ourselves as we now know as much as we need to know.

That may make Pakenham's book sound like a tedious, austere, kind of teutonic masterpiece compiled by some American scholar, venerated but left unread. It is nothing of the sort. Pakenham has a light and cheerful touch. He is very far from being over-respectful. He revels in human absurdity—and in the political and military personages involved in the Boer War there was plenty of it. The book is enjoyable as well as massively impressive. Those who are beginning to make their choices of this year's literary prizes ought to take note. It would be an astonishing year if there is anything better.

Much of the book is occupied, as it has to be with the military operations. Pakenham has complete mastery of the strategic problems, and is fine on the battle-pieces, tiny engagements though they were. As was realised fairly rapidly in this country for a long time the British army was outclassed in the field. It was not because the Boers were superior marksmen. That was a legend. But they weren't the opponents whom the British were used to fighting in the 19th century, tribesmen with poor weapons and a gross technological inferiority. The Boers had excellent weapons

from Germany and France, notably the Mauser rifle. They were much more intelligently led than the British. The only commanders who come out of the story with supreme credit are Boers, Louis Botha, De la Rey, De Wet.

There are some unfamiliar features, to us who have become accustomed to war on a mass-scale. In this war, which lasted four years, the total casualties were less than in minor battles, names now forgotten, in either of the world wars. The British lost something over 20,000 dead, mostly through disease. The Boer deaths, in a much smaller population, were perhaps 50 per cent greater, again largely through disease, as in concentration camps.

Another surprise is that well-thought-of troops were not as steady as in the more annihilating wars to come. There was plenty of individual gallantry, of course. Many senior British officers, generals included, led their soldiers into battle and were killed. But on both sides first rate detachments panicked and ran away, even when casualties were relatively slight, some of the best Boer commanders and elite British regiments.

It was a white man's war, they said, but with a black disregard for the heavy manual work for both combatants, and suffered far more casualties. For liberal Englishmen, one justification for the war was to give the blacks, and coloureds, the civic rights, small but genuine, which the British had maintained in Cape Province. One of the reasons for Boers fighting for their autonomy was to prevent that happening. They were fighting for their way of life, some of it respect-worthy, but not in that instance.

The British, though, were remarkably cynical about the blacks. Most of them—by no means all—thought the Boers unnecessarily brutal. On the other hand, responsible persons said that it was wiser to forget about the blacks altogether. If we were ever going to get on with the Boers. The Treaty of Vereeniging was in many ways a generous attempt at reconciliation (which like other generous attempts produced something like the opposite effect), but it included not even minimal safeguards for the blacks.

The prelude to the war, the war itself, the consequences, do not make for an improving story, but that doesn't differentiate the Boer War from others. It was crammed full of personalities on both sides, and there Pakenham shows the best of all his talents. He is deeply interested in human beings, much more so than most military historians, is indulgent towards most of his characters, understands them, but is not sentimental or over-compassionate. He doesn't really like Robert, one of the most political of soldiers, and certainly doesn't like Kitchener, which isn't surprising. He has no use whatever for Cecil Rhodes. He has a soft spot for Kruger, the old discoverer of his mining peasant. He is warm to Louis Botha. He goes out of his way to remedy one piece of historical injustice, which is the way in which Redvers Buller has been made to look like the caricature of an imbecile soldier. Pakenham, who has explored documents in South Africa and Britain with scholarly thoroughness, has unearthed (or more exactly plunged under billiard tables to discover) a large Buller archive. Buller turns out to have been an upright, honor-



Sir Redvers Buller photographed when at Aldershot, c. 1890

able soldier, not articulate, incompetent at political infighting, a far-sighted general. It is possible that Pakenham slightly overstates his professional gifts. He was as brave as men are made, but in action he seems to have been slow to make tactical decisions, and often made them wrong.

What Pakenham does do is to establish his case that Buller had more strategic insight than any of his senior colleagues. If he had been listened to, there wouldn't have been the fiasco in Natal, and nothing like so long-drawn-out a guerrilla war. He had fought alongside Afrikaners, and understood and liked them better than the other British generals.

There are two figures of remarkable though puzzling qualities who stand out from the

rest of Pakenham's characters. One is Milner, the other Smuts. Each was much cleverer than anyone around him. Each was committed to a cause which had no future—Milner to a universal empire governed by the British, Smuts to an Afrikanerdom surviving intact in association with the British. Milner was the deeper and more interesting man. There was always a faint touch of the spurious about Smuts. He gave advice in both the great wars, and acquired a reputation for infallible wisdom, though the advice he gave was frequently bad.

In his last years, Milner felt that he had wasted his gifts and his life. For the most part, he had. But only a man of stature can have that reflection, and bear it with stoicism.

Genius of places

BY RACHEL BILLINGTON

Literary Landscapes of the British Isles: A Narrative Atlas by David Daiches and John Flower. Paddington Press, £8.50, 257 pages.

David Daiches tells a good story at the start of his literary travelogue about a Malaysian Professor of English and lover of Wordsworth who stopped his taxi from Heathrow airport to recite with reverential awe "The Daffodils" beside a clump of dandelions on a bomb site. It reminded me of the occasion my mother forced me and four other recalcitrant sub-teenagers to read "Lines composed a few miles above Tintern Abbey" at the estimated spot of composition. It was raining, some evil-intentioned bullocks were drawing near and my youngest brother punctuated every few lines with a hopeful "Coco cola?" Nevertheless the poem became fixed in my memory as no other.

Such an experience may not be exactly what Mr. Daiches has in mind for his readers as they trace Chaucer's pilgrims to Sittingbourne or Mrs. Dalloway to St. James's Street. Unlike The Oxford Literary Guide to Great Britain, which is strictly for travellers on the road, his imaginative and well-informed essays could serve an armchair traveller just as well. In fact it would be an insult to treat them as mere reference material. Nor would it be easy to do so since Mr. Daiches has chosen as his subject the major geographical and literary areas of English writing and makes no attempt for a blanket coverage.

The result still provides something for most tastes. The first 60-odd pages are filled with information on London, tracing its development from Chaucer,

through Shakespeare and Dickens to Virginia Woolf. This is followed by sections on Bath and the Lake District, plus an irresistible coda on the Romantic Poets Abroad. Then comes the Brontë Country, Thomas Hardy's Wessex, and a chapter on the Industrial belt called "The Blackening of England" which contains some of Mr. Daiches' most original thoughts. Finally Scotland and Dublin are treated with individual attention.

By sacrificing comprehensiveness to depth, Mr. Daiches has given himself the great advantage of room to quote and to speculate. His analysis of the geographical and psychological difference between Thrushcross Grange and Wuthering Heights is nearly as gripping as the novel. His quotations from poetry written about industrial inventions in the 18th century are as delightful as they are

unfamiliar; for example, John Dyer's "The Fleece": "Where bursting waters turn enormous wheels And hammers, rising and descending, learn To imitate the industry of man."

However, at the back of the book is detailed gazetteer and topographical information on the lives of a wide range of writers. The maps contributed by Mr. Flower are clear and simple. To my mind, excellent though this all is, it sits slightly oddly with the tone of the rest of the book. Possibly it was considered necessary to catch a knapsack readership. Certainly the book is beautifully produced, filled with old engravings and maps. Perhaps it is sheer perversity that makes it seem an excellent reason for avoiding rain, bullocks and cocoa and taking instead a cosy fire-side journey in the mind.

BOOKS OF THE MONTH

Announcements before are pre-paid advertisements. If you require entry in the forthcoming panels application should be made to the Advertising Department, The Financial Times, 10 Cannon Street, EC4N 4BY. Telephone: 01-348 8000, Ext. 7064.

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A Dictionary of Banking

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Society and Fertility

M. Potts and P. Selman This book is a study of the customs and problems attaching to human fertility in the modern world, in both advanced and primitive societies with special emphasis on the demographic aspects. Macdonald & Evans Ltd. £7.95

Law of Meetings

Sir Sebago Shaw and Judge E. Dennis Smith This book provides a comprehensive survey of the rules, legal and conventional, which regulate the constitution and conduct of meetings. Macdonald & Evans Ltd. £6.50

Banking in Canada

Jürgen Ebel (edited by L. N. Blythe) This book presents a concise but authoritative outline of the Canadian banking system and describes in some detail the functions and inter-relationships between the Central Bank, the commercial banks and the principal quasi-financial institutions. Macdonald & Evans Ltd. £2.25

Banking in India

K. S. Hasan (edited by L. N. Blythe) This book gives an account of the banking system currently operating in India, a two-tier system that has evolved from the joint influences of the traditional and English patterns. Macdonald & Evans Ltd. £2.25

Regulating Safety

An Economic and Political Analysis of Occupational Safety and Health Policy John Mendeloff Combines economic perspectives with political and organisational concerns and constraints in the design of feasible alternatives. The M.I.T. Press £9.75

Textile Terms and Definitions

Seventh Edition A fully illustrated glossary of textile terminology that is the accepted international authority; 1,688 definitions, 200 illustrations. An essential desk book for all involved with textiles and the textile industry, including the retail trade. The Textile Institute, Manchester. £8.10 ISBN 0 900739 17 7 HB £18.00

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The Management of Production Technology

Stanley Oliver The author is Senior Lecturer in Management Techniques and has 17 years industrial experience as well as being the author of several previous books and numerous articles and papers. Mechanical Engineering Publications Limited U.K. £9.50

Detergent Manufacture Including Zeolite Builders and Other New Materials

Marshall Sittig Sittig gives universal treatment to the many classes of detergents, detailing about 650 processes. ISBN 0-8155-0749-6 £29.20 Gothard House Publications

Lions roaring in Bloomsbury

BY PETER QUENNEL

Bloomsbury: A House of Lions, by Leon Edel. The Hogarth Press, £8.50, 288 pages.

Soon after the death in 1904 of the literary patriarch Sir Leslie Stephen, Henry James produced a somewhat gloomy report on the younger members of his family. "Deplorable! Deplorable!" he lamented. He had esteemed their erudite father and admired their "beautifully beautiful" mother, a perfectly precious force for good. How, then, had Vanessa and Virginia managed to "pick up such friends? How could Leslie's daughters have taken up with young men like that?" A young man he thought particularly repellent was a certain Mr. Clive Bell, a "stoop-shouldered, long-haired" figure whom he called the "little image" and, later, when he heard that Vanessa was marrying Bell, he supposed, without much conviction, that "she knows what she is about." True, she appeared "almost boisterously in love" and he gave her an ancient silver hairpin-box as his modest wedding-present.

Meanwhile, Virginia, he noted, was growing handsome, even positively smart. He enjoyed the Stephens' company, despite their horrid friends. Yet he also found it "strange and terrible." He could not help recognising "the hungry maturity of youth." All that he

could "mainly see was the ghosts... dear old Leslie, and beautiful, pale, tragic Julia—on whom these young backs were, and quite naturally, so gaily turned.

Once Vanessa had married, writes Dr. Leon Edel, Virginia was at last mistress of her own establishment, a house in Fitzroy Square that she occupied with her brother Adrian, her maid and cook and Hans her dog, while she composed her earliest novel. Before it was quite ready, she followed the Bells to Paris; and, besides talking "a great deal about Beauty and Art," and meeting "various old bachelors who have known Whistler," they encountered "the dark and jagged-looking Duncan Grant." He was 22, the cousin of Lytton Strachey; and at Lytton's Cambridge rooms he had already met Clive. Now he was delighted by the whole party. "As for Virginia," he told his affectionate cousin, "I think she's probably extremely witty and amazingly beautiful," and from that moment he remained a beloved associate of the gifted and romantic trio.

During the last decade, enough books have been published on the Bloomsbury circle to fill a false prospect of opening yet another volume does not always raise one's spirits. Dr. Leon Edel's book, however, is the product of a master-craftsman. His five-fold biography of

Henry James has taken its place among the best-written and most interesting biographies published in the last 25 years; and, although much of his material is comparatively familiar, he brings fresh insight to this study of the Bloomsburian "House of Lions."

The Lions themselves, we must remember, always greatly resented being labelled. They were neither a clique nor a school, they protested—merely an assemblage of friends, who happened to have met when they were all young, and who had lived together ever since. Obviously, they shared many tastes and feelings; but, as to the common factors in their spiritual heritage, they were often slightly vague. No doubt their strongest link was the lifelong enjoyment they derived from one another's company.

Leon Edel's method of describing them is to fix his attention on the largest beasts—Virginia and Leonard Woolf, Clive and Vanessa Bell, Duncan Grant and Maynard Keynes, Desmond MacCarthy, Roger Fry and Lytton Strachey. Each is allowed a separate well-rounded portrait, and especially sympathetic attention is given to the devotees to MacCarthy—the only member of the group who did not realise his early promise, yet remained a wonderfully generous and unambitious character—and to Clive Bell, whose gaiety and social worldli-

ness often masked his intellectual gifts. Edel's account of his fellow biographer Strachey is judicious and appreciative; but although, after applying Queen Victoria, he does not go quite so far as to admit that Elizabeth and Essex is a very bad book, he observes that Virginia Woolf was apt to criticise her old friend's style, and himself quotes some of the absurd clichés with which the opening pages are profusely scattered.

Virginia, we know, was the most critical of the whole group; but then, she had the most complex mind and most tormented soul; and it did not occur to her to spare the friends she loved. Gordon Square, she had once written, "is like nothing so much as the lions' house at the Zoo." All the animals, she said, were dangerous and "rather suspicious of each other"; and she was inclined to be still more suspicious in her attitude towards the outer world, which fascinated her, yet aroused her apprehensions and always put her on her guard. Here, as elsewhere, she differed immensely from her charming older sister, a woman who had succeeded in her woman's role where Virginia felt that she had failed. Vanessa was a remarkably "human" person; Virginia had something of the crystalline humanity that is said to go with genius; and between them, Edel suggests, there was a deep

half-conscious rivalry that haunted them throughout their lives.

In his summing-up Leon Edel returns to the early 1920s, when many years of endeavour still lay ahead of the group, but "Bloomsbury," as an autonomous institution, was already firmly founded. What had it accomplished before its protagonists died? They were early leaders, their latest biographer believes, of a liberating modern movement that had boldly "refused to accept the accepted ideas of the Victorians," and formed "a particular and unusual elite," made "singularly powerful" both by the gifts they had cultivated and by the "radiance of their personalities."

This, I think, is to overstate the case; the radiance he mentions did not extend very far

Swiss sage

BY JEFFERY MEYERS

Hermann Hesse: Pilgrim of Crisis by Ralph Freedman. Jonathan Cape, £7.95, 433 pages.

Hesse came from a family of missionaries who were God-wallahs in India and practised with evangelical fervour a peculiar mixture of pietism, puritanism and sentimentality. When he rejected his religious destiny, ran away from a monastery school and tried to shoot himself, he was placed in a home for retarded and epileptic children. He never finished high school and became a bookseller's apprentice in Tübingen and Basel until he published his first successful novel, Peter Camenzind, in 1904.

Ralph Freedman's slow-moving, elaborately detailed account of a reclusive and carefully organised life reveals that Hesse was an austere and dreary man, ravaged by hypochondria and self-pity. Like Nietzsche, he was inspired by pain and used his work to control his psychological crises. He was a solitary creature who could not bear to be alone, and fought off illness and depression by a constant but limited round of travels and visits to obscure intellectuals in Germany and Switzerland. The one dramatic exception, in 1911, was a two-month escape to the East, where he was disappointed and oppressed by the heat, noise, beggars, dirt and dangerously lush landscapes. The author of Siddhartha disliked the Indians, and treated them with narrow-minded contempt. (Freedman is a bit vague on Asian geography: Penang is not in Sumatra and there is no river—sacred or otherwise—in Kandy.)

Hesse's marriages, like his travels, were reluctant concessions to emotional needs. His first wife was much older than he and severe mental problems, and was eventually confined to an institution. He had three sons (one of whom suffered from nervous illness) but rarely lived with them. He was a distant but imperious father, and coldly unsympathetic to his suicidal brother. He did not really want to marry his second, much younger wife, who surrounded herself with animals, soon contracted tuberculosis and lived with Hesse for less than two months. Though he was

beyond a fairly small circle— they lived, as a rule, exceedingly private lives; but there it certainly abounded. An interview with Virginia Woolf, for an acquaintance or friend's friend, might be definitely alarming—she had a habit of asking sharp questions, to which evidently she did not expect an answer; but the other inhabitants of the lion-house were genial and friendly creatures.

Meeting Clive Bell and Roger Fry was always an adventurous experience. Clive was sure to have recently discovered a splendid new artist—or, perhaps, an attractive young woman; Roger, when I saw him last, was brimming over with almost school-boyish excitement, having just decided, at the age of 67, that he would translate Mallarmé's largely untranslatable verses.

A Good companion

BY B. A. YOUNG

Travel Warrant by Bernard Fergusson. Collins, £7.95, 253 pages.

Bernard Fergusson, now Lord Ballantrae, is a sort of modern Renaissance man. He is gifted in letters, he is gifted in soldiering, he is gifted in administration (an art more generally appreciated than in Renaissance times, no doubt). But most of all he is gifted in friendship.

Travel Warrant is a fairly light-hearted account of the extra-military travels he has made during a highly peripatetic life as soldier, diplomat, journalist and bon vivant, travels in India, Burma, the Far East, the Middle East, north and east Africa, Nigeria, Spain, America, and of course New Zealand. He spent a long holi-

day in New Zealand as a boy when his father was Governor-General (as both his grandfathers had been). When he himself became Governor-General, the country was teeming with old friends, even if some of them thought he was his father, and he made myriads of new ones. He made friends with Queen Salote of Tonga, with the indigenous inhabitants of the Cook Islands and Samoa and Pago Pago, with the Americans and New Zealanders and penguins at the South Pole.

These were encounters that sprang from official privilege. But wherever Bernard Fergusson went, officially or privately, or even illegally, he always found old friends, "We lunched in Paris with General Koening, beside whom I had fought in Syria in 1941." "I arranged to lunch with Admiral Barjot... Barjot and I had 'clicked' when

he was second-in-command during the Port Said affair in 1956." "I managed to find a gratifying number of those who had helped us 17 or 18 years before" (in Rangoon). This is partly the result of his phenomenal memory; he writes detailed narratives but never keeps a diary (though often enough consults other people's).

Partly the result of great personal charm. Partly, perhaps, the result of kindness beyond the call of duty. "When General Petit was imprisoned by the French after joining the Salan faction in the

Algeria difficulties, Bernard Fergusson was Governor-General of New Zealand. General Petit was an old friend.

"Through the good offices of the New Zealand Embassy in Paris," he records, "I made furtive contact with his priest and confessor, a former officer of the Fusiliers-Marins. Thanks to him, I was able, legitimately but discreetly, to contrive from 12,000 miles away that occasional extra comfort passed through into his prison cell."

People like this deserve friends. Lord Ballantrae's book may make him a lot more.

Crimes BY WILLIAM WEAVER

The Wages of Zen by James Melville. Secker and Warburg, £4.95, 175 pages.

Forget about the unfortunate title, forget about the inscrutable Buddha on the dust-jacket. The book is much subtler than either would lead you to believe. Superintendent Tetsuo Otani, of the Hyogo Prefectural Police, is a splendid addition to the thriller-addict's international force (it is no accident that Otani is a great admirer of Malgrat and other colleagues of the kind). In this delightful first novel, James Melville displays a convincing knowledge of Japan and Japanese ways, even though some of his most important characters are Undesirable Aliens. The actual denouement is perhaps overcomplicated, mechanical; but it is also less important than the other elements of the book. Apparently a second Superintendent Otani novel is in progress. Good news.

A Violent Death by Roy Lewis. Collins, £4.25, 195 pages.

First of all, Roy Lewis can always be counted on for precise, original, interesting environment. His sense of place—from the North Country to Wales—is infallible; and yet characters and setting always interact. A given story has to take place in a given area. Here, it is Northumberland, whose hills and silences have deep meaning for Robert Fanshaw, ageing but still vigorous Inspector of Schools. The school he has been sent to inspect, on what may be a last assignment, is a curious mixture of idealism, sadism, misunderstanding, violence. There is also a deep-seated antagonism between school and the locals. In the course of inspecting the school, Fanshaw becomes involved with murder and, more important, with people. Solving the case, he also solves problems of his own. An engaging, human protagonist in a compelling, coolly-told story.

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Monuments of History, Culture and Art by Georgi Chavrutkov

Photographs by Konstantin Tanchev

Septemri Pub. House, Sofia/Collet's London & Wellington. Linen boards gold-tooled, 33x23cm., 380pp., 125 b/w and 268 colour photographs.

A photographic history, with explanatory texts of 55 monasteries scattered over the territory of Bulgaria. These beautiful buildings, some dating back to the 12th century, have been carefully preserved in their original state so that many of the icons, carvings and paintings retain their clarity and brilliance.

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AUTHORIZED UNIT TRUSTS

Table listing various authorized unit trusts such as Abbey Unit Tr. Mgrs., Friends' Provident Unit Tr. Mgrs., and others, with columns for fund names and numerical values.

Mutual Unit Trust Managers (a/g)

Table listing mutual unit trust managers and their respective funds, including Abbey Life Assurance Co. Ltd., Crown Life Assurance, and others.

Offshore & O'Seas Funds

Table listing offshore and overseas funds, including Alexander Fund, Allen Harvey & Ross Inv. Mgt., and others.

INSURANCE & PROPERTY BONDS

Table listing insurance and property bonds, including London & Overseas, Prudential, and others.

OFFSHORE & O'SEAS FUNDS

Table listing offshore and overseas funds, including Alexander Fund, Allen Harvey & Ross Inv. Mgt., and others.

NOTES: This section contains explanatory text and footnotes regarding the data presented in the tables above.



Planning and Compensation

MINES—Continued
AUSTRALIAN

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MAN OF THE WEEK

In the front line

BY STEWART DALBY

TYPICALLY, he would be called Bill, Ken, or Ron. He might even be Ian or Stewart. He would be anything up to 55 years old. He would not be 17. The minimum age for joining the army is 17, but three young soldiers were brutally murdered by shots from close range at night outside a pub in 1971. One was 17 and the British Government banned anyone younger than 18 from serving in Northern Ireland.

He is probably a radio operator, a driver, or a patrolman. If he is especially fit, tough, and ruthless, he might have special skills in killing people, because that is what a small minority of desperate terrorist gunmen are trying to do to him. He would then be a member of the crack Special Air Services battalions. In this case, he might go around in civilian clothes with long hair and have a gun always ready. Generally, however, he would be an average kind of man, interested in football and, possibly, fishing.

But he would not be called Eamonn or Claran or Ronan any more. Roman Catholic Irishmen no longer join the British Army. It was not always the case. When the British Army arrived in Northern Ireland in August, 1969, they were welcomed with open arms by the Roman Catholic population. In



Without him it would be civil war

the small ghettos in which Roman Catholics live in Northern Ireland's main towns they were seen as saviours against the wrath of rampaging Protestants. For various reasons, this did not last. In the past two years, while Protestant paramilitary groups have been largely quiescent, the conflict in Northern Ireland has become one-dimensional, in the sense that the violent IRA groups have targeted their venom at the British Army, the Royal Ulster Constabulary, and the Ulster Defence Regiment.

The gunmen and the bombers of the IRA know who their enemy is. He is anyone wearing a jungle-green uniform and a flak jacket. He is anyone who walks around Belfast and Londonderry in groups of four weighed down with tear-gas canisters and FN rifles. Or he is anyone who emerges from the bushes on the main Dublin-Belfast road with his face blackened and with twigs and heather sticking from his beret as camouflage.

The British soldier on the streets of Belfast or the fiers of County Armagh does not enjoy the same advantage. It is not like being in Malaya or Aden, where the enemy is at least partially identifiable because he is a different colour.

Of the 13 battalions on duty in Northern Ireland at any given time, seven are short-service battalions. This means they do four-month tours of duty. These are the men who usually bear the brunt of patrolling and front-line service, in as far as there is a front line in Northern Ireland. For them any normal life is impossible. They do not have their families with them. They cannot go to most pubs or even cinemas or restaurants because they are identifiable as soldiers. A friend of mine is a soldier in the Blues and Royals. He is a Welshman. I saw him in Wales recently. He had just finished a tour of duty in Northern Ireland. He said: "You journalists simply don't know anything about it." He went on: "Thank God I'm out of that place." He was off to Germany, and, when I asked him, wouldn't it be boring? he replied: "I would rather be bored than dead."

Police believe four-man unit murdered Lord Mountbatten

BY STEWART DALBY IN DUBLIN

IRISH POLICE believe a four-man Provisional IRA Active Service Unit murdered Lord Mountbatten, members of his family, and his Irish boat boy of Sligo on Monday. Two men have been charged with his murder.

As the hunt continued yesterday, Mr. Jack Lynch, the Irish Premier, flew to Sligo and spent 75 minutes at the bedside of Lord and Lady Brabourne and their son, Timothy, who were injured by the boat bomb.

In Northern Ireland, a senior police officer investigating the Warren Point ambush, in which 18 soldiers were killed, said: "We are getting near. We are looking forward to arrests fairly soon."

The Sligo hunt went on as most of the 200 known Republican sympathisers rounded up by Special Branch detectives in the past two days were released. Investigations are being concentrated mainly in border counties. There has been a strengthening of police security in border areas because of fears that there could be

Loyalist reprisals in the Republic. But it seems unlikely that Mr. Lynch will be able to agree to demands from Mrs. Thatcher including a desire to have suspects interviewed in the Republic — when he visits London for the funeral of Lord Mountbatten and the summit on Anglo-Irish relations next Wednesday.

Mr. Lynch faces political difficulties in agreeing to their demand and others. After being Premier in 1966 and 1972, he returned in 1977 as a compromise candidate between Mr. George Colley and Mr. Charles Haughey.

His government faced a major crisis in 1970 when members of his party, including Mr. Haughey, who was then Minister of Finance, went on trial on gun-running charges.

Mr. Haughey was acquitted and is now back in the Government as Minister of Health. Many political observers see Mr. Haughey as the next leader of the ruling Fianna Fail party and possible Prime Minister. Mr.

Lynch is thought to want to stay on to prevent someone of Mr. Haughey's Republican credentials becoming leader. For Mr. Lynch's Sligo visit yesterday, Irish Army soldiers armed with rifles and sub-machine guns stood guard at strategic points near the heli-pad where he landed after the short flight from Dublin. Extra security men accompanied the Prime Minister and armed Special Branch detectives mingled with crowds.

Visiting time for other patients in the hospital was cancelled and only hospital and government officials were allowed inside.

In Northern Ireland, security forces staged a grim re-enactment of Monday's scene at Warren Point in an attempt to jog the memory of members of the public who might have witnessed anything.

Two army land-rovers and a truck were driven past a blue trailer carrying bales of hay and Wessex helicopters landed shortly afterwards, as on Monday.

Members of the 2nd Battalion, the Parachute Regiment, which lost 18 men, were excused from taking part in the exercise and their places were taken by men of the Queen's Own Highlanders, whose commanding officer, Col. David Blair, was killed in the explosion.

Sir Kenneth Newman, Chief Constable, said on a local BBC television programme last night that co-operation between the RUC and the Garda was "getting better all the time." He suggested, however, that the Garda should consider setting up special surveillance units to watch southern towns which terrorists had been using as havens.

He declined to comment on reports that RUC detectives are already sitting in on the questioning of suspects in the Republic, following the Mountbatten murders. He did say: "I would like it to be considered normal that both countries should work together in the optimum way to secure the best results against terrorist activities."

Oilfield 'may be biggest since Alaska'

BY DAVID BUCHAN IN WASHINGTON

A POSSIBLE 15bn barrels of oil may lie under an extensive reef deep off the U.S. Eastern seaboard, according to the U.S. Geological Survey.

If exploratory drilling confirmed the find, it would be the biggest addition to U.S. oil reserves since the huge Alaskan discoveries ten years ago. The U.S. has proven reserves of 29bn barrels, one-fifth of Saudi Arabia's.

Dr. William Menard, director of the Geological Survey, announced the possible big offshore find at an energy conference in Atlanta on Thursday, attended by President Carter.

While emphasising the uncertainty, Dr. Menard said "the best bet is that it could be another Prudhoe Bay" — the Alaskan field which produces about 1.4m barrels a day.

But Geological Survey officials yesterday were extremely cautious about the estimates. They said that until drilling confirmed the seismic and geological predictions, it would not be known whether there was any oil under the reef structure. The reef is more than 100 miles off the East coast and stretches virtually from Florida to Canada.

The predictions are largely based on the fact that the reef is similar to those found off Mexico. But the U.S. Geological Survey predictions have proved unfounded before as in the case of the Baltimore Canyon area off the East coast, which has so far proved almost dry.

Dr. Menard said sections of the reef just off currently leased tracts in the Baltimore Canyon were the most productive, with possibly between 6bn and 7bn barrels.

Dr. Menard based his estimates on the assumption that the oil under the reef could be extracted at a cost of \$15-20 a barrel. Though world oil prices seem certain to continue rising, this is well above the present cost of extracting North Sea oil.

The U.S. reef is in about 6,000 ft of water. Drilling would penetrate another 6,000 ft of rock.

The potential prospect of a much-needed addition to U.S. oil reserves coincided with a report this week by the Central Intelligence Agency. This takes a gloomier view of future U.S. oil production than the Carter administration.

The CIA study, part of its survey of world oil trends, predicts: "Domestic production can be expected to fall by about 1m barrels a day to about 9.2m barrels a day by 1982."

This contrasts with the Administration's forecast that, because of the President's move to take price controls off U.S. oil and other measures, production will at least stay stable at more than 10m barrels a day through the 1980s.

Meanwhile Dalgety and its advisers, Lazard, are heavily committed to victory. Lazard also has an eighth of Spillers' shares on its own account, and the document quietly reveals that "in the unlikely event" of the bid failing, Dalgety and Lazard will "discuss the future ownership of these shares." Spillers shareholders should certainly hang on for a little while yet.

Computer staff are expected to hold unofficial meetings early next week. Any further industrial action is likely to be low key, including the possibility of banning overtime.

Although this may delay the Post Office programme of recovery from the effects of the dispute, the corporation is expected now to begin telephone billing by computer.

The first bills cannot be sent out until October or November. These will include two quarterly rental charges and at least six months' telephone charges. The normal quarterly billing cycle is not expected to be resumed until early next year.

The Post Office puts total losses caused by the strike at £90m. Taking into account Spillers' shares, there is a backlog in bills of about £550m.

The society's ballot showed 2,359 in favour of the proposals and 1,459 against. The dispute has cost the society about £2m in strike benefit.

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Post Office staff accept pay offer

BY NICK GARNETT, LABOUR STAFF

THE POST OFFICE telecommunications dispute, which has held up telephone billing for five months and disrupted the installation of new equipment, appeared last night to be virtually over.

Members of the Society of Civil and Public Services will be instructed to work normally from Monday following a ballot decision to accept a pay and restructuring offer.

Members of the Civil and Public Services Association who have also been taking action

had already accepted similar pay proposals. Local officials of the society's computer members in the Post Office warned yesterday, however, that there was a possibility of unofficial industrial action, despite the ballot vote among the union's 6,500 Post Office members.

Union members taking part in industrial action have been paid their full salaries by the union, and this strike money will be stopped from Monday.

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UK names new man for key economic post in Washington

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A RESHUFFLE among senior Treasury officials will be made later this year following the appointment of a new British economic representative in Washington.

Mr. John Anson takes over from Mr. Bill Rylie as head of the Treasury delegation and economic minister in the British Embassy. He will simultaneously serve as UK executive director of the International Monetary Fund and the World Bank.

This is traditionally regarded as one of the key postings for those on their way to the top of the Treasury, and several previous occupants have become permanent secretaries.

The appointment will mean at least a couple of consequent changes among the Treasury's top dozen officials, apart from the quite separate discussions now under way about the choice of a new chief economic adviser to the Chancellor.

Mr. Rylie, aged 50, has been in Washington since 1975 and is generally regarded as having been very successful. In particular, he played a leading part in the long and difficult negotiations in 1976 between the UK and the IMF.

His new posting in London has not been announced but it is believed to be on the overseas finance side and to involve European affairs. Mr. Rylie is one of the officials tipped as a possible eventual successor to Sir Douglas Wass, the present Permanent Secretary.

Mr. Anson, 49, is currently a deputy secretary dealing with

general public expenditure issues. He is responsible for the annual review of spending plans and chairs the key public expenditure survey committee.

In his present post, he has gained a high reputation among both officials and politicians as a man of wide intellectual range. He has tended to be rather self-effacing in his many public appearances before the Commons expenditure committee where he has had the often delicate task of explaining Treasury policies while sticking to the clear divisions between the roles of politician and civil servant.

Mr. Anson, who has a degree in mathematics from Cambridge, has dealt with international monetary questions before in the Treasury; in the

late 1960s he was financial counsellor to the British Embassy in Paris. From 1971 to 1974 he served in the Cabinet



Mr. John Anson... a key posting.

Weather

UK TODAY

CLOUDY with some rain in Western districts. London, Midlands, E. Cent. N., S. and S.E. England Mostly dry. Early mist clearing, sunny periods developing. Max. 23C (73F).

Channel Isles, Wales, S.W. and N.W. England, Lakes, S.W. Scotland, Glasgow Cloudy with outbreaks of rain or drizzle, especially in coastal and hilly areas. Max. 19C (66F).

Ile of Man, Ulster Mostly cloudy, but sunny intervals. Max. 17C (63F).

N.E. England, Borders, Edinburgh and Dundee Mostly dry and cloudy, but bright intervals, inland. Max. 22C (72F).

Rest of Scotland Cloudy with some rain and bright intervals. Max. 17C (63F).

Outlook: Sunny intervals and showers. Long-range forecast for September: Generally cool with wet and windy spells.

WORLDWIDE

City	Temp	Wind	Cloud
Algeria	21	10	10
Amman	22	10	10
Bahrein	23	10	10
Bangkok	24	10	10
Bombay	25	10	10
Buenos Aires	26	10	10
Calcutta	27	10	10
Cairo	28	10	10
Cardiff	29	10	10
Cebu	30	10	10
Dublin	31	10	10
Hong Kong	32	10	10
London	33	10	10
Lyons	34	10	10
Manila	35	10	10
Medan	36	10	10
Perth	37	10	10
Rangoon	38	10	10
Singapore	39	10	10
Sourabaya	40	10	10
Tokyo	41	10	10
Yokohama	42	10	10

Council in bid to buy new town property

BY MICHAEL CASSELL

STEVENAGE Borough Council wants to buy some of the industrial and commercial property assets being sold by Stevenage New Town Development Corporation as part of the £40m new town property sale called for by Mr. Michael Heseltine, Environment Secretary.

Council officials in Stevenage are seeking a meeting with Mr. Heseltine to put their case for ownership of some of the property.

The move will be closely watched, if not immediately followed, by other councils with new towns within their boundaries.

The officials will tell the Minister that they intend, if necessary, to sponsor a private Bill in the Commons enabling them to establish a corporation with borrowing powers to tap

funds for the purchases from the private and public sectors. The plan seems certain to meet with substantial opposition from Ministers. It would go against the Government's policy of returning public assets to private enterprise. Ministers would also oppose a scheme with any additional requirement for public funds.

But local authorities may be able to find a way to secure private investment without the need for additional public authority loan sanction. Such a move would, nevertheless, affect the public sector borrowing requirement, and the Government would resist this.

It is thought that the Stevenage development corporation will have to dispose of about £20m worth of assets by the end of the current financial

year to meet its share of the disposal required. The corporation's assets, excluding land, are estimated at about £58m. It owns two industrial estates in the town, several office developments and some town centre department stores.

Councillor Brian Hall, chairman of the Labour-controlled council's management and finance committee, said yesterday that the council was determined to seek a share in the assets.

"We all know these properties will appreciate drastically, and we believe we have a claim on at least some of them. It is an elementary principle of the new town concept that the community shall ultimately have a share of the assets which have been created, and it will be

scandalous if this is flattened by some Ministerial directive." Councillors were looking at the example of nearby Letchworth Garden City, Councillor Hall said. There, with the help of the then local Tory MP and acquiescence of the Conservative Government, the local council sponsored a private Bill which in 1962 led to the taking over of the assets of First Garden City Ltd. by a new publicly-owned body. That followed fears of asset stripping by the new owners of FGC.

"We readily appreciate the type of opposition we are likely to meet, but the Local Government Act of 1972 gives us the right to promote a Parliamentary Bill, and it will not be up to Ministers or any Department to decide whether our plan goes ahead," Councillor Hall said.

THE LEX COLUMN

Dalgety leaves some loose ends

Equities ended the week on a dull note and gave up most of their modest gains yesterday. The FT 30-Share Index is roughly unchanged on the week and continues to hover in the 450-480 band. Most of the news is uninspiring but the stock market is showing a certain amount of resistance. However, next week brings the TUC Congress and the August banking figures—both will test the market's resilience.

Dalgety/Spillers

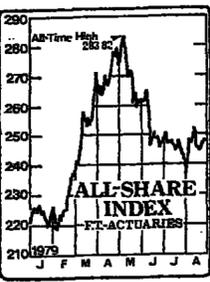
Dalgety has not delivered any knock out blows in its formal offer for Spillers. It provides no fresh insights into the commercial case for a deal, and it leaves a number of financial questions unanswered. Dalgety's case is built on the claim that its management is far more effective than Spillers'. Yet Dalgety does not provide any details about the success of its big push into North America, where its capital employed now amounts to £84m. Nor does it give much away about the nature of a £2m extraordinary charge in the figures for 1978-79. That makes it hard to establish the quality of its reported increase in earnings.

Spillers' defence will doubtless highlight these shortcomings. And thanks to its recent increase in the selling price of its shares, Spillers should be in a position to forecast higher profits for the current year—and probably to indicate a further improvement in the following year. On that basis, it should be able to restore the dividend to the 4.1p per share gross paid in 1976-77, which would make the case for accepting the bid on income grounds look much less compelling.

The big question is whether Spillers' management is going to be able to convince shareholders that it is worth supporting over the long term. At present, the stock market seems dubious of its chances and Spillers' shares currently stand a little below the value of the bid at 46p.

Meanwhile Dalgety and its advisers, Lazard, are heavily committed to victory. Lazard also has an eighth of Spillers' shares on its own account, and the document quietly reveals that "in the unlikely event" of the bid failing, Dalgety and Lazard will "discuss the future ownership of these shares." Spillers shareholders should certainly hang on for a little while yet.

Index fell 4.0 to 465.5



oil company, London and Scottish Marine Oil, issued something known as an Oil Production Stock in 1978 and investors have had a tremendous run for their money. Against an issue price of 10p they now stand at 755p. Given this background, there would be a healthy demand for a BNOG bond of some sort.

Unfortunately, there are all sorts of arguments for the Treasury mandating to advance against such a scheme. It would probably siphon money away from boring old National Savings Certificates, and the Building Societies, which loyally kept their mortgage rates down, are not going to be happy about a potential competitor. However, if the Government is really serious about promoting the widest possible public participation in state industry the BNOG bonds would be an attractive gesture.

BNOG bonds

In its hurry to sell off state-owned assets the Government is in danger of ignoring what might be a golden opportunity of giving the small investor a stake in the country's rapidly growing North Sea oil revenues.

The authorities want the British National Oil Corporation (BNOG) to contribute £400m to the reduction of the public sector borrowing requirement and the easiest and quickest way is to sell off various bits and pieces to other oil companies. Understandably, BNOG is not too happy about this idea and has now come up with four ways of raising the £400m and still leaving the company intact.

Undoubtedly, there is more than an element of self-interest in its suggestions but they should be taken seriously by the Government. At the time of the Budget, the Chancellor stressed that sales of state-owned assets were aimed at "promoting the widest possible participation by the people in British industry."

BNOG has said that it could easily raise £400m by forward sales of oil—something it has done before. It could also issue shares to the public but this might present problems, since as a public company BNOG might have to behave very differently in the future. BNOG also has a mystery plan to raise the money involving no public participation.

However, the most imaginative suggestion so far is that it should issue bonds which would be linked to the oil price in some way. This would give small investors a relatively inflexible proof investment. There is already a precedent. A small

Lourho

Lourho certainly does things in style. Its agreement to buy a half share in a chain of luxury hotels sited in exotic resorts in the Western Hemisphere bears the unmistakable imprint of chief executive, Mr. R. W. "Tiny" Lawland. The business is to be run in partnership with one of the world's richest and most intriguing millionaires, who has taken 5m shares in Lourho as part of the deal. And the U.K. group suggests that this is just the start of a long and beautiful relationship.

The price paid is nearly £40m, which values each hotel room at about £21,000. That is perhaps half the current building cost. But, understandably, international hoteliers are not quite as impressed by the deal as Lourho. The suggestion is that the hotels were built by a very rich man who was not too concerned about the bottom line. The chain will make a pre-tax profit of something over £7m this year—and that is not much of a return on debt-free assets of nearly £90m.

Lourho, which showed net assets of £300m in its last balance sheet, says that financing the purchase has presented no problems whatsoever. All the same, the deal presumably has some bearing on Lourho's relationship with the House of Fraser stores group, in which it now holds just under 30 per cent of the shares. Guessing what Lourho is going to do next is a fruitless exercise, yet it is harder than ever to see the two getting much closer together.

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